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Algeria E 00 Dkr Iran 115 Rials Oman 1 000 Rials
Austria 20 S Israel NIS. 3 00 Portugal 160 Esc
Bahrain 0 600 Dm Italy 2,000 Lire Qatar 8 50 Rials
Belgium .50 B Fr Jordan .750 Fils Rep. of Ireland 80 P
Cyprus . C £ 0 90 Kenya . Shs. 35 Saudi Arabia 7 00 R
Denmark 11 00 D Kr Kuwait 500 Fils Spain 150 Ptas
Egypt E P 3 250 Libya L Din 0 60 Sweden 9 00 S.Kr
Finland 4 50 F M Luxembourg 50 L Fr Switzerland 2.50 S.Fr
France 7 50 F Malaysia 165 Esc Tunisia 1 000 Din
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Nigeria 10,00 Naira Yugoslavia 25 000 D

Chinese Crackdown Intensifies as Rebel Groups Are Banned

By Nicholas D. Kristof
New York Times Service

BEIJING — The government banned unofficial pro-democracy organizations Monday and gave the police the right to shoot "rioters," as official news organizations intensified their attacks on a prominent dissident, Fang Lizhi, and on the United States for giving him refuge in their embassy here.

The television news continued to report waves of new arrests around the country of "thugs" who had supported the democracy movement and opposed the military crackdown over a week ago.

It is not known how many people have been arrested, but two days ago the official figure for Beijing stood at 400. That figure is now believed to be much higher.

National television showed close-up scenes of demonstrators trying to resist the Chinese Army during the crackdown, and suggested that people report anyone they recognized. A broadcast said that in just one Beijing district, 25 "ruffians" had been arrested after reports from the "masses."

[The United States said Monday that if the paramount Chinese leader, Deng Xiaoping, was responsible for the attack June 4 on demonstrators near Tiananmen Square, "then he has acted to undercut the very reform process he sought to foster," Reuters reported from Washington. It was the first U.S. criticism of a specific Chinese leader over the recent events.

[The State Department said that China's efforts to label political opponents "counterrevolutionaries" would not change the fact that large numbers of peaceful demonstrators were killed by troops in the square.

[A spokeswoman for the department, Margaret Tutwiler, said, "That's a tragedy for China, its people and for the legacy he sought to pass on." She referred to "the chairman," but other senior officials said that Mr. Deng was the target of the statement.]

The attacks on Mr. Fang, an astrophysicist, and his wife, Li Shuxian, an assistant professor at Beijing University, added to the strains on the U.S.-Chinese relationship and seemed set to complicate any effort toward a negotiated solution.

Mr. Fang and his wife are outspoken critics of the Communist Party leadership. They were given refuge a week ago in the U.S. Embassy and were charged Sunday with counterrevolutionary activities.

In Washington, the Bush administration indicated that it would not turn the couple over to the Chinese authorities. A U.S. official, who declined to be identified, said that any attempt to arrest them would be resisted.

At the same time, Secretary of State James A. Baker 3d opened talks Monday with the Chinese ambassador to Washington in an effort to resolve the case. No immediate progress was reported.

Under international law, Chi-

See CHINA, Page 7

Elke Brahn Hoffmann/The Associated Press

A West German high school student greeting Mr. Gorbachev on Monday in Bonn as the Soviet leader began a four-day visit.

Gorbachev Says Bush Arms Plan Offers Promise

By Robert J. McCartney and David Remnick
Washington Post Service

BONN — Mikhail S. Gorbachev welcomed "with satisfaction" on Monday the recent initiative by President George Bush to slash the number of troops in Europe, and he said the new position should make it possible to reach an East-West agreement on reducing conventional forces "much earlier than previously thought."

In his first response to the U.S. proposals, unveiled by President Bush two weeks ago, Mr. Gorbachev said at a state dinner on the first day of a four-day visit to West Germany that the Bush plan was "a serious and specific response" to Warsaw Pact positions.

The Soviet leader also welcomed the North Atlantic Treaty Organization's new readiness to enter negotiations on reducing short-range nuclear weapons. But he criticized NATO for setting stiff conditions for entering such talks, and he renewed Moscow's call for elimination of all nuclear weapons.

Mr. Gorbachev's comments provided the most comprehensive Soviet response yet to Mr. Bush's proposal, made at the alliance summit meeting last month in Brussels, to bring home and demobilize 30,000 U.S. combat troops from Western Europe over the next four years.

This would be done, Mr. Bush said, if the Soviet Union would withdraw a much larger number of its soldiers deployed on the territory of East European allies.

The Bush proposal, which was accepted in principle by the rest of the Western alliance, marked the first time that the alliance had expressed its readiness to cut troop levels and combat aircraft, as the Warsaw Pact has urged.

Previously, NATO sought to focus on cutting tanks, artillery and armored personnel carriers in the East-West talks in Vienna on reducing conventional, or nonnuclear, forces in Europe. These are weapons in which the Warsaw Pact has numerical superiority.

"We note with satisfaction that the United States and NATO have agreed, finally, to reduce military manpower in Europe," Mr. Gorbachev said. "We are encouraged by your readiness to apply reductions to your offensive arms, not just demand reductions on our side.

"There is more reason to believe now that agreement in Vienna may be reached much earlier than previously thought."

Mr. Gorbachev did not say whether the Soviet Union would be willing to reduce its troops in Eastern Europe by as much or as quickly as President Bush proposed.

The Soviet leader said that the NATO summit position "clearly

See GORBACHEV, Page 2

Johnson Admits He Used Steroids

Compiled by Our Staff From Dispatches

TORONTO — The sprinter Ben Johnson acknowledged under oath on Monday that he had taken steroids for years and that he was aware both of the effects of the drugs and of the fact that they were banned for use by athletes.

Mr. Johnson, who was stripped of a gold medal and a 9.79-second world record for the 100-meter dash at the Seoul Olympics in September, previously had denied that he had "knowingly" taken illegal drugs.

He told a Canadian government tribunal on Monday that his longtime coach, Charlie Francis, first made him an unwitting user of steroids in 1981, adding that it occurred to him soon thereafter that the pills he was handed were banned substances.

"If he gave me something to take, I take it," Mr. Johnson said of Mr. Francis. "No one told me they were banned."

Mr. Johnson said Mr. Francis told him at a 1981 training session that the "whole world" was using drugs and that the only way he was going to get better was to take them.

"At the time I didn't say yes or no," Mr. Johnson said. "I didn't come up to him and say I want to go on it."

Mr. Johnson acknowledged that by 1983 he was aware that the two different types of drugs he had tried by then, Dianabol and stanozolol, were steroids.

Robert Armstrong, the government counsel for the inquiry, asked: "And you, of course, became aware that steroids were drugs that were banned and that if you took a test and it was found you had them in your system, that you'd be disqualified?"

"Yes," the sprinter answered.

Asked if he took Dianabol and growth hormones in the fall of 1983 as Mr. Francis had testified, the sprinter replied: "Probably. Could be."

Mr. Johnson's appearance before the federal inquiry into drugs and athletics, which is likely to keep him on the witness stand for days, ended the runner's silence on the scandal. In Seoul, he initially offered the quickly discredited alibi that someone had spiked his prerace drink.

The federal inquiry has heard testimony from Mr. Johnson's coach, his doctor and fellow athletes on steroid use dating to 1981 and continuing within weeks of the Seoul Olympics.

It also was provided with a tape covertly made in January 1988 by Dr. Jamie Astaphan, Mr. Johnson's personal physician, in which the sprinter discussed steroid use.

A central question is how much Mr. Johnson, 27, was capable of understanding about anabolic steroids and their implications.

Dr. Astaphan and Mr. Francis, who was Mr. Johnson's only coach from the time he was a 15-year-old boy who had just arrived in Canada from Jamaica, said the athlete was informed and aware.

In his cross-examination of witnesses, however, Ed Futerman, Mr. Johnson's lawyer, has portrayed the sprinter as something of a trusting innocent, an athlete of limited education and possibly limited mental ability.

As Mr. Futerman told it, Mr. Johnson looked on his coach and his doctor as father figures and would have taken their advice.

Mr. Francis, Dr. Astaphan and other witnesses have said that Mr. Johnson was fully informed and very much had a mind of his own.

Mr. Johnson testified Monday that neither Dr. Astaphan nor Mr. Francis told him about the possible side effects of steroids.

(AP, UPI, Reuters)

Bush Proposes Big Cut in Air Pollutants

By Philip Shabecoff
New York Times Service

WASHINGTON — President George Bush, saying "we will make the 1990s the era for clean air," proposed Monday an array of measures to strengthen the law for fighting air pollution.

Mr. Bush asked that the 1970 Clean Air Act of be amended to nearly halve the sulfur dioxide, a leading component of acid rain, and to require other major efforts to combat urban smog and reduce emissions of toxic chemicals into the air.

As the law stands today, these problems are unaddressed or unsolved.

Mr. Bush's proposal marked a break with the Reagan Administration, which, for its full eight years, essentially opposed all efforts to impose anti-pollution requirements on industry.

The initiative is expected to break the deadlock in Congress that has blocked any changes in the Clean Air Act since 1977.

If enacted as described by Mr. Bush, the proposals could significantly lower threats now posed by air pollution to the public health and the natural environment.

They could also require heavy investments by industry, including the electric utility, automotive and oil industries.

William K. Reilly, administrator of the Environmental Protection Agency, estimated that the costs of complying with Mr. Bush's program could reach $14 billion to $18 billion a year when in full effect.

Members of Congress, state officials and environmentalists praised Mr. Bush's clean-air goals. But a number of these commentators said that they doubted that the means proposed by Mr. Bush were adequate to reach the goals.

Some groups within the electric utility and oil industries complained that specific requirements were excessive or unnecessary.

The proposals are designed to virtually end air pollution in the United States in 20 years.

The bill, marking Mr. Bush's first major environmental initiative, seeks by the year 2000 to nearly vanquish the high levels of ozone in scores of U.S. cities today, halve emissions of the key ingredient of acid rain killing lakes and forests and significantly reduce releases of cancer-causing industrial pollutants.

"The wounded winds of north, south, east and west can be purified and cleansed, and the integrity of nature can be made whole again," Mr. Bush said in a White House

See BUSH, Page 2

Sadayuki Mikami/The Associated Press

People's Liberation Army troops standing guard at an intersection in central Beijing as many people returned to work on Monday.

A Soviet Aide Flies To Uzbek Riot Area

Ethnic Troubles Reported to Spread

By Michael Dobbs
Washington Post Service

MOSCOW — In a clear sign of mounting Kremlin concern over renewed ethnic violence, the Soviet prime minister, Nikolai I. Ryzhkov, flew to the Central Asian republic of Uzbekistan on Monday after reports of an armed attack on a refugee camp for the minority Turkish population.

The Soviet evening television news showed Mr. Ryzhkov touring the Fergana region in eastern Uzbekistan, where more than 100 people are known to have died in clashes between Uzbeks and Meskhetian Turks. He was accompanied by a fellow Politburo member, Viktor M. Chebrikov, a former head of the KGB security police who heads a commission on legal affairs.

The television also carried pictures of the beginning of a mass airlift of Meskhetians, who were deported to Central Asia by Stalin after World War II, out of Uzbekistan. Meskhetian leaders had called for the evacuation of the entire 17,000 Meskhetian population to save them from maranding gangs of armed Uzbek youths.

Soviet newspapers reported Monday that around 400 Uzbeks in trucks and cars, some armed with machine guns, attacked a camp for Meskhetian refugees near the town of Kokand on Saturday evening. It said that troops — who were rushed to the area by helicopter — killed two of the attackers and wounded five others.

The Communist Party newspaper Pravda said that the remaining attackers fled.

The clashes in Uzbekistan, which began with a simple squabble in a bazaar on April 26, pose one of the most serious law-and-order problems for Moscow since the Soviet leader, Mikhail S. Gorbachev, came to power in 1985. The number of fatalities has almost reached the total number of those killed in the Transcaucasian republics of Georgia, Armenia and Azerbaijan over the past year.

Estimating the casualty toll at more than 100, the official press agency Tass said that 88 bodies had been discovered since the start of the unrest. It said that many of the corpses had been mutilated with axes and pitchforks or burned. At least 1,000 people have been injured.

Mr. Ryzhkov and Mr. Chebrikov went to the city of Fergana shortly taking part in a farewell ceremony at Moscow airport for Mr. Gorbachev, who began an official visit to West Germany on Monday. The Fergana region has been closed to foreign correspondents for the past week.

Soviet newspapers reported Monday that troops had opened fire on several occasions to enforce a 10-P.M.-to-6-A.M. curfew in the region. In one incident, reported by the government newspaper Izvestia, a motorist who refused to stop at an army checkpoint was shot to death while the drivers of two other cars were wounded.

Although the violence was initially directed against the Meskhetian minority in Uzbekistan, it appears to have widened in scope over the weekend. Police stations and

See RIOTS, Page 2

Kiosk

Reagan to Get Royal Honor

LONDON (AP) — Former President Ronald Reagan has accepted the offer of an honorary knighthood, the highest royal honor Britain bestows on Americans, Burke's Peerage said Monday.

Mr. Reagan, who is in London on his first visit since leaving the White House in January, is to be the guest of Queen Elizabeth II at a Buckingham Palace lunch on Wednesday.

General News

The U.S. Supreme Court ruled that whites can challenge earlier bias rulings. Page 2.

The Jamaican prime minister is seeking European help to fight drug trafficking. Page 3.

Israelis reject an Egyptian offer to act as mediator in the Palestinian uprising. Page 6.

Business/Finance

A Japanese company said it would buy a stake in a North Sea oil field. Page 13.

Stock index options began trading in Japan for the first time. Page 13.

Crossword Page 8.

Dow Close	The Dollar in New York	
	DM	2.02
Up 5.42	Pound	1.5295
	Yen	148.60
	FF	6.846

Continuing U.S. Deficit 'Deplorable,' BIS Says

By Carl Gewirtz
International Herald Tribune

BASEL — Policymakers in the leading industrial countries are mistaken in emphasizing exchange-rate stability over the reduction of trade imbalances, the Bank for International Settlements said Monday. It warned that this policy was causing enormous capital flows to such currencies as the dollar.

The BIS also said that the Group of Seven industrialized countries' current course risks renewed inflation and protectionism, and could lay the groundwork for a financial crisis.

The major policy fault, one that the BIS has hammered at repeatedly in past reports, is the continuing huge U.S. budget deficit, which is seen as feeding the large deficit in its international trade in goods and services.

"The lack of significant further progress" to reduce the budget deficit "is deplorable," the report stated.

The Bank for International Settlements is owned by 28 central banks, not including the U.S. Federal Reserve System. It traditionally uses its annual report to speak boldly on economic issues.

The BIS faulted all of the Group of Seven — the United States, Japan, West Germany, France, Britain, Italy and Canada — for "a policy of sustaining rather than of reducing current-account imbalances" and called for "more flexibility in official exchange-rate arrangements."

The current account measures a country's trade in goods and services as well as interest, dividends and certain transfers.

The thinking behind the BIS recommendation is to induce a feeling of vertigo among dollar-based investors: The higher the dollar is allowed to rise, the theory goes, the greater would be the risk of the subsequent fall. This increased risk should inhibit foreign investors from buying dollars just for the relatively high interest rate.

Alexandre Lamfalussy, the general manager of BIS, said in his conclusion to the annual report that swift U.S. action on the deficit would simultaneously benefit the country and the rest of the world.

He rejected U.S. arguments, reiterated by Treasury Secretary Nich-

See BIS, Page 17

The dollar rose again, buoyed by buying as foreign investors sought high interest rates. Page 13.

Ebony 'Report' on Nigeria: Stranger Than Fiction

By Kenneth B. Noble
New York Times Service

LAGOS — One of the most sought-after publications in Nigeria is the May issue of a U.S. magazine, Ebony.

As the story is told here, Ebony has uncovered evidence that the head of Nigeria's military government, Major General Ibrahim Babangida, has nearly $700 million in the bank, making him the world's seventh wealthiest leader.

His wife, Marym, the magazine is said to report, owns the "largest and best boutique in Paris," and together they own the "largest Swiss diamond-quartz watch factory" and a private school in Zurich.

But is it true?

"Absolute nonsense," said Yusufu Mamman, a spokesman for General Babangida. "All you need to do is get the magazine to see that it is all lies."

In fact, the article does not exist.

Nevertheless, thousands of leaflets recently distributed here retold the allegations under the headline "Nigeria Must Hear This."

The leaflets said that General Babangida seized power in a 1985 coup "to save himself from being sacked from the army and Marym being tried for drug peddling."

"You can't go anywhere without people talking about it," said Frank Aigbogun, news editor of The Vanguard, a prominent Nigerian newspaper.

"And more than 90 percent of them believe the rumors. In fact, you could subject yourself to being mobbed if you said it was untrue."

The general's spokesman said, "Unfortunately, people are willing to believe these lies because copies of the magazine aren't available."

Indeed, although Ebony is widely known here as a leading chronicle of black U.S. culture — copies are often seen circulating through Nigerian living rooms — the May issue has been virtually impossible to find.

Carol Wilder, a press attaché with the U.S. Information Service here, said demand for the elusive issue was so great that the U.S. Embassy called Johnson Publications in Chicago, the magazine's publishers, to find out if rumors of the report was true.

The embassy assured Nigerians that no such article has ever been published in the magazine. The 214 pages in Ebony's May issue, in fact, contain stories on Bill and Camille Cosby, "the First Family of Philanthropy"; Smokey Robinson's disclosures on how infidelity and drugs destroyed his marriage, and an Ebony readers' poll, "Who's Who, Who's Not in 1989."

Nowhere, however, is there any mention of Nigeria, Africa's most populous nation, and not one word about General Babangida.

Nonetheless, the impact of the Ebony hoax on Nigeria's politics is expected to be profound.

"Nigerians are suspicious people," said a prominent public figure, noting that rumors of corruption and personal enrichment have dogged the public careers of countless Nigerian politicians.

"They tend to believe that where there's smoke there's fire. And the timing of the

See EBONY, Page 7

Gorbachev Moves Onto World Stage Again With a Mixed Act

By Francis X. Clines
New York Times Service

MOSCOW — The separate theaters of *glasnost candor* — *adventurous* at home, strategically crimped abroad — were never clearer as Mikhail S. Gorbachev returned Monday to the international stage for a four-day visit to West Germany.

The Soviet leader left behind the jarring, exhilarating novelty of domestic outspokenness in the name of democracy in the new national Congress. This, however, only underscored his own painstakingly uncritical view of China's violent repression of its pro-democracy demonstrators.

NEWS ANALYSIS

Mr. Gorbachev was the most talkative man on Soviet television — day in, day out, no topics barred — for two weeks straight of historic give-and-take on domestic issues. But he shunned the same garrulousness over China, as if glasnost was not for export.

"He will stick to this policy, without a doubt," said an Asian ambassador in Moscow.

"He's worked too long and too hard to rebuild the China tie to risk it now with a critical remark," said the diplomat, who estimated that Mr. Gorbachev himself personally weighed each word in the resolution adopted last week by the Congress of People's Deputies that defended China and condemned outside critics for stirring "passions" over Beijing's internal affairs.

In private conversation, some officials at the Foreign Ministry familiar with the repression in China concede discomfort, but mainly in ways as pragmatic as Mr. Gorbachev's policy.

One ranking official regretted that by attracting the world's press into Beijing for the mid-May summit, Mr. Gorbachev may have unintentionally increased the stakes of civil demonstration and made the problem more intractable for the Beijing government in the early stages.

Mr. Gorbachev, far from echoing President George Bush's arms embargo and condemnation of China's "violent and bloody" repression, has been cautious and terse. "Let Bush speak for himself," he declared.

He has remained resolute in his noninterference policy, whatever the outrage of other nations, as he works toward links with China that could help resuscitate the despairing Soviet economy.

This may be basic, time-tested Machiavelli, but it is uncharacteristic Gorbachev after all his plain spoken, world-stunning initiatives in the name of disarmament and democracy, in the view of one Western expert on Chinese-Soviet relations.

"He's got to know he copped out on Beijing after all his months of talking about progress on human rights," this scholar said. "And it's shameful, even if his reasons can be seen."

The most Mr. Gorbachev has allowed was a mention of concern about the violence and a hope that "dialogue" would settle it. But he never acknowledged the bloodshed inflicted on civil demonstrators by Chinese troops, just as the Soviets' controlled press has not.

Instead, Soviet newspapers and television have presented what seems, in these giddily forthright days, like an exercise in the nostalgia of Communist censorship — a 1950s-steeped sympathetic parroting of official Chinese news reports about a responsible government dealing properly with "reactionary forces" supported by foreign voices" and "incitement to hatred."

Lacking all the shocking television footage of the Beijing bloodshed, the Soviet public has spared Mr. Gorbachev moral pressure at home, making it far easier for him to stand strictly by the noninterference policy that has been one of the tenets of his laborious reconciliation with the Chinese after 20 years of bad relations.

He stood fast particularly in the face of withering complaint in the final moments of the Congress's inaugural session from Andrei D. Sakharov, the Nobel Peace laureate, who refused to be silenced and demanded in the name of humanity that the Congress denounce the bloodshed by the government in Beijing.

"Enough, enough," Mr. Gorbachev said firmly, preferring the resolution of support for Beijing.

"Remember, the Soviets did the most of the work to get back into China, and it was hard work," a Western diplomat said, speculating on Mr. Gorbachev's intensity in not seeing the new ties broken by one violent incident. "Still, you can question his strategy in the long run if moderates finally do gain control in China."

Another diplomat stressed "the glass house" caution of Mr. Gorbachev. His full domestic realm, whatever the excitement over free-wheeling rhetoric in Congress, includes persistent, explosive mixes of civil demonstrations, grass-roots violence and martial law standoffs among outlying republics and ethnic groups.

"President Bush has been no less strategic in his approach," a pro-Gorbachev diplomat commented, saying that the White House criticism could have been more sweeping, considering public outrage in the United States, and that the White House, too, stopped short of altering commercial and ambassadorial ties to China.

"No doubt the violence took Gorbachev by surprise when he came back from Beijing," this diplomat said. "But he has to stick with his policy.

"He wants relations with China to be his model of normalization, of noninterference with other nations," this official said, contending the defensible denominator in both glasnost and his China policy was Mr. Gorbachev's overriding need to do anything and everything it takes to rouse the Soviet economy.

GORBACHEV: *Bush Plan Offers Promise, He Says*

(Continued from page 1)

leaves open some questions, which call for clarification." He said he would not go into detail, pending discussions with Soviet allies.

In comments that are likely to have a particularly strong impact in West Germany, Mr. Gorbachev reaffirmed Moscow's support for immediate negotiations on reducing short-range nuclear weapons.

Such weapons, which have ranges of less than 500 kilometers (about 300 miles), are of special concern in West Germany because almost all of them are on German soil and are aimed at targets in the Germanys.

"To keep the peace in Europe we need nuclear arms control rather than nuclear deterrence," Mr. Gorbachev said at the dinner given by Chancellor Helmut Kohl.

"The question of a complete elimination of nuclear weapons cannot be removed from the agenda," the Soviet leader said. "We are convinced that there is no reason to postpone negotiations on tactical nuclear arms."

Mr. Kohl, in his speech, renewed a call for Moscow to make unilateral cuts to reduce its superiority in both conventional forces and short-range nuclear weapons.

He also reaffirmed Bonn's desire to open short-range nuclear arms talks "as soon as possible," a position that West Germany pressed hard at the NATO summit meeting, against U.S. and British opposition.

Washington and London, which believe that short-range nuclear arms form a vital part of the Western alliance's deterrent power in Europe, insisted that negotiations begin only after cuts in conventional forces were under way.

The United States and Britain also compelled West Germany to agree that talks on short-range missiles would aim only at partial reductions of such weapons.

Mr. Gorbachev spoke after private talks with Chancellor Kohl and President Richard von Weizsäcker at the start of his visit. His trip, the first by the top Soviet leader since Leonid I. Brezhnev came in November 1981, has been hailed by both governments as opening a new chapter in their relationship.

After the dinner in the Bonn suburb of Bad Godesberg, Mr. Gorbachev stepped out of his limousine and mingled briefly with a crowd of well-wishers. "Gorby! Gorby!" some chanted.

Mr. Kohl said in his speech that West Germany supported Mr. Gorbachev's policies of political and economic change and was willing to contribute to their success.

In a clear attempt to allay concerns among Bonn's allies that West Germany was too receptive to Soviet initiatives, Mr. Kohl repeatedly referred to his country's membership in NATO and the European Community and said, "These ties are permanent." Mr. Kohl called for the tearing down of the "repulsive" Berlin Wall.

■ 'New Chapter' in Relations

Mr. Gorbachev, who is enormously popular in West Germany, arrived in Bonn amid much fanfare as he sought to strengthen ties to West Germany and bridge the ideological differences that divide the European Continent, The Associated Press reported from Bonn.

"Today, we can already state that we have started to leaf through the first pages of a new chapter in our relations," Mr. Gorbachev said at a gathering at Redoute Palace.

The two countries already intend to bolster their commercial, cultural and political links by signing 11 agreements and a "common statement" of purpose on Tuesday.

Mr. Gorbachev and his wife, Raisa, were greeted by a 21-gun salute. They encountered their first crowd of well-wishers, a group of Soviet children and West German exchange students outside the official presidential residence.

Fritz Reiss/The Associated Press

Mikhail S. Gorbachev, left, and Chancellor Helmut Kohl in a good mood Monday before talks.

RIOTS: *Ryzhkov in Uzbekistan*

(Continued from page 1)

government buildings have also been attacked by armed gangs.

Tass said that some young Uzbeks were shouting slogans such as "Uzbekistan is for Uzbeks" and "We'll strangle Turks, we'll strangle Russians. Long live the Islamic flag." Roughly 70 percent of Uzbekistan's 19 million population are Muslims.

The violence spread Sunday to a third city, Namangan, where troops clashed with rioters attacking a local railway station. An Uzbek journalist contacted by phone from Moscow said that around 300 youths who had thrown stones at the police and overturned vehicles were eventually dispersed by troops shooting into the air.

Izvestia reported Monday that self-defense committees had been formed in many neighborhoods in eastern Uzbekistan to assist the police in repelling attacks by armed gangs. It said that a total of 9,000 men now belonged to the vigilante groups.

Tass said a gang also razed the village of Gorsky, in the west of the Fergana region, "again spilling blood," and an additional 400 Uzbeks, armed with automatic rifles, tried to storm a camp housing minority Meskhetians in the mountains nearby.

■ To Seek 'Normalization'

Mr. Ryzhkov and Mr. Chebrikov "are to consider questions of normalizing the situation in the Fergana region," Tass said in a brief report. Moscow radio said they wanted to "learn on the spot what has been going on there," news agencies reported from Moscow.

A Muslim in Moscow, in contact with groups in Uzbekistan, said that the death toll was up to several hundred and that he believed more than 3,000 people had been wounded.

Soviet officials and newspapers have that suggested violence is being stirred up by powerful local criminal gangs.

Interior Ministry officials have blamed the attacks on outside agitators who came into the valley in cars and trucks and called them opponents of President Mikhail S. Gorbachev's efforts at change, which have included a crackdown on high-level corruption in Uzbekistan.

Uzbek activists, however, point to rampant unemployment, harsh living conditions in the impoverished cotton-growing republic and worsening pollution as the deeper causes for the violence.

State-run television's evening news program "Vremya" on Sunday showed some of the 14,500 Meskhi Turks housed at a camp huddled under canvas tents to shelter them from the blazing sun.

"The most explosive situation is here, in the refugee camp," the report said.

(Reuters, AP)

Soviet and U.S. Military Chiefs Sign Pact on Avoiding Military Accidents

New York Times Service

MOSCOW — The United States and the Soviet Union on Monday signed an agreement designed to avoid or contain accidental military encounters before they escalate into critical confrontations.

The agreement, which would focus mutual care on such sensitive areas as laser-weapons testing, radio jamming and accidental airspace incursion, was signed by Admiral William J. Crowe, chairman of the Joint Chiefs of Staff, and General Mikhail A. Moiseyev, chief of the Soviet armed forces.

To take effect Jan. 1, the pact will establish a bilateral commission to study risks growing out of standard military readiness practices.

General Moiseyev called the signing "a momentous occasion" in U.S.-Soviet relations. Admiral Crowe agreed, saying it showed how far "the courage of our political leaders has brought us toward developing a more sustainable larger relationship."

The agreement covers four main areas:

- The crossing of national boundaries by military aircraft or troops because of accident or emergency.
- The hazardous use of range-finding laser beams during military tests and maneuvers.
- The interference with each other's networks of communications during peaceful operations.
- The possible creation of "special caution areas" — arenas of particular intensity, such as the Gulf, where military maneuvers have been known to exacerbate political problems.

The agreement envisions the designation of special radio frequencies to allow direct field communications between the nations' military units to prevent misunderstandings. It also will seek to develop similar wording in training manuals to minimize the risks of accidental encounters.

The accord pledges the two countries to take precautions "to ensure expeditious termination and resolution, by peaceful means without resort to the threat or use of force, of any incident which may arise as a result of dangerous military activities."

The agreement was completed after nine months of negotiations.

The Tass news agency said the signing was "an unprecedented event, which would have been inconceivable two years ago.

■ Pact Hailed in Washington

Government and private military experts hailed the pact, Reuters reported from Washington.

"If it defuses one potential situation that could escalate into a serious confrontation," a senior military officer said, "then everything we've done here will be worth the effort."

"It's another major stride away from the Cold War," said Ilya Prizel, a Soviet specialist at the Johns Hopkins School of Advanced International Studies in Washington. "It puts the two military sides in direct communication."

U.S. Court Opens Cases On Bias to Challenge

The Associated Press

WASHINGTON — In a major setback for job discrimination settlements, the Supreme Court on Monday affirmed the right of white workers to challenge court-approved affirmative action plans that give preferential treatment to minority members and women in government jobs.

The court ruled that whites may sue on grounds of reverse discrimination years after a plan is approved and even if they were not party to the original lawsuit.

By 5 to 4, the justices ruled in the case of Martin vs. Wilks, which involves white fire fighters from Birmingham, Alabama, who say they are victims of discrimination.

The justices said a court-approved affirmative action plan agreed to by public officials may be challenged in a new lawsuit by workers who took no part in the case leading to the original accord.

The ruling was the third this year in which the newly solidified conservative majority in the court has ruled against efforts aimed at helping minority members and women overcome discrimination.

The court ruled in January that state and local governments may not impose racial quotas for public works projects. On June 5, the justices erected new barriers for minority members seeking to prove statistically that they have been relegated to less desirable jobs.

Chief Justice William H. Rehnquist, writing for the court, dismissed arguments that the ruling threatened voluntary settlement of minority employment-discrimination claims.

In a dissenting opinion, Justice John Paul Stevens wrote that the ruling could have serious consequences for affirmative action plans agreed to by employers.

He said the ruling threatened to undo efforts in Birmingham, a city that had made substantial strides in fighting racial discrimination.

Justice Stevens was joined by Justices William J. Brennan, Harry A. Blackmun and Thurgood Marshall.

Joining Chief Justice Rehnquist were Justices Byron R. White, Sandra Day O'Connor, Antonin Scalia and Anthony M. Kennedy.

The Birmingham case stems from a civil rights suit against the city fire department in 1974. White fire fighters objected to the minority hiring plan that resulted from the rights suit. Seven eventually challenged it in court, saying less qualified blacks were being promoted ahead of them.

The white fire fighters' challenge was dismissed. But in late 1987 an appeals court reinstated it. This led to a Supreme Court appeal by those who had filed the 1974 suit.

BUSH: *A Plan to Curb Pollution*

(Continued from page 1)

speech nearly 19 years after Congress passed the Clean Air Act of 1970, a law ambitious in scope but hobbled by lax administration and concessions to industry.

"Too many Americans continue to breathe dirty air," Mr. Bush said.

The president's proposal calls for a 50 percent reduction in sulfur dioxide emissions. Other measures include a phase-in of cars powered by methanol, which would help curb ozone-causing emissions from motor vehicles, and a requirement for industry to use new technology to curb the release of cancer-causing and other toxic chemicals.

The proposals are part of a clean-air package that Mr. Bush plans to send to Congress in the coming weeks.

Congressional leaders said that they expected a revision of the 1970 Clean Air Act to be enacted by Congress, probably early next year.

Governors active in the bipartisan Alliance for Acid Rain Control said that they were encouraged by Mr. Bush's plan.

Governor Tommy Thompson of Wisconsin said, "It's a giant step forward for cleaning up the air and the atmosphere and our lakes."

The final package was approved by Mr. Bush over the weekend at Camp David, Maryland, where he reviewed options prepared by the Domestic Policy Council.

Legislation has been introduced in the House to require stringent reductions in ozone-causing pollutants, cuts in acid-rain pollutants from coal-burning power plants and curbs in the release of toxic chemicals from industrial plants.

Two Moderate Quakes Hit Los Angeles Area

The Associated Press

LOS ANGELES — Two moderate earthquakes shook Los Angeles on Monday, cracking plaster in many downtown buildings and knocking items off shelves, but no serious damage or injuries were reported.

The earthquakes registered 4.5 and 4.3 on the open-ended Richter scale. Their epicenter was in Montebello, about 10 miles (16 kilometers) southeast of Los Angeles, according to seismologists at California Institute of Technology.

WORLD BRIEFS

Polish Prime Minister Won't Run

WARSAW (AP) — Prime Minister Mieczyslaw Rakowski announced Monday that he would not seek a seat in the next parliament, but did not rule out continuing to lead the government.

The announcement came after the Council of State issued a decree ordering supplemental elections Sunday for 33 parliament seats left vacant because voters rejected the "national list" of leading Communist and allied politicians running unopposed June 4. Mr. Rakowski was one of the candidates who failed to get the required 50 percent of votes. He said he was not running again to ensure that "the will of the electorate would not be offended."

According to a statement issued after the council met Monday, all the 33 seats will be filled in competitive elections among Communists and their allies. But instead of having the same candidates taking part, or even some of them, the council in a surprise move said that all 66 candidates for the 33 seats would be new.

U.S. and Vietnam Said to Plan Talks

GENEVA (Reuters) — In the highest-level talks between the United States and Vietnam in a decade, delegations will meet here this weekend to discuss peace prospects for Cambodia, diplomats said Monday. Neither embassy would confirm or deny that talks were planned.

The meeting will be between Deputy Secretary of State Lawrence S. Eagleburger and Deputy Prime Minister Nguyen Co Thach, the diplomats said. Both are scheduled to attend a UN-sponsored international conference on Indochinese refugees starting Tuesday.

The meeting will reportedly focus on preparations for an international conference on ending the Cambodian war. The conference is to take place in France in August. Moves to restore peace in Cambodia gained momentum recently after Hanoi's decision to pull all its troops out by Sept. 30. The Vietnamese invaded Cambodia in 1978.

Bomb Kills 7 in India Railway Station

NEW DELHI (NYT) — A bomb blast Monday near the ticket counters of a New Delhi railway station killed at least seven persons and left at least 26 injured seriously. The police said that the explosives might have been planted in an abandoned suitcase.

No organization has taken responsibility for the bombing, and the police have not named any suspects.

New Delhi has been under extra security during the past week as the nation marked the fifth anniversary of an Indian Army attack on the holiest shrine of the Sikh religion, the Golden Temple in Amritsar. That attack ultimately led to the assassination of Prime Minister Indira Gandhi on Oct. 31, 1984.

EC Rejects New Pretoria Sanctions

LUXEMBOURG (Reuters) — The European Community turned down a request from six African nations on Monday to impose new economic sanctions on South Africa.

At a meeting in Luxembourg between foreign ministers of the EC and the African states, the EC said the new government due to take office in Pretoria in September should be asked to change course before any new measures are taken.

But the 12 EC ministers deplored the decision last week by the South African president, P.W. Botha, to renew the state of emergency, a move backed by his designated successor, Frederik W. de Klerk, leader of the National Party.

Police May Charge U.S. Columnist

WASHINGTON (AP) — Capitol police say they may file criminal charges against the columnist Jack Anderson, who pulled out a gun during an interview with the Senate minority leader, Bob Dole, Republican of Kansas, to illustrate what Mr. Anderson called lax security.

The columnist was criticized Monday by fellow journalists, and the committee that issues press credentials is considering revoking Mr. Anderson's privileges in connection with the May 24 incident. "I think it was a cheap shot," said Bob Franken of Cable News Network, calling it a "trivialization" of journalism. Kenan Block, a producer for MacNeil-Lehrer NewsHour, said: "It's kind of a cliché. I thought Anderson would do a more sophisticated story."

Mr. Anderson said Monday that he did not carry the gun into the Capitol because he is known to security officers and might not be checked carefully. He said an unnamed accomplice who carried the weapon "went in far enough ahead" of him so as to not be associated with him.

Dock Worker Strike Spreads in U.K.

LONDON (Reuters) — Dock workers defied union leaders and management Monday as unofficial strikes spread in a dispute over government plans to scrap a scheme that guaranteed them jobs for life. About 3,500 workers held strikes at 13 ports, including Liverpool, Bristol and Tilbury, according to the National Association of Port Employers.

But 700 dock workers at the northeastern port of Kingston upon Hull and a similar number at Southampton obeyed a union call to stay on the job. About 9,400 dockers are registered under the National Dock Labor Scheme, which the government plans to abolish next month.

Unofficial strikes began Thursday, and workers had stopped work at eight ports by the end of the week. The strikes followed a court ruling Wednesday that deemed unlawful a national strike that the dock workers had approved by a 3-to-1 margin last month.

TRAVEL UPDATE

France Waives Visas for U.S. Citizens

PARIS (NYT) — Starting July 1, U.S. citizens traveling to France for periods of 90 days or less will not be required to have visas, the French Foreign Ministry said Monday. Earlier this month, the United States dropped a similar requirement for French travelers.

The final agreement between the two countries, which followed more than a year of negotiations, was completed just one month before the huge festivities associated with the 200th anniversary of the French revolution on July 14. French authorities said French citizens wishing to benefit from the visa waiver must, however, show a return ticket to some other destination outside the United States.

Bonn was also announced Monday that the United States planned to lift a visa requirement starting July 15 for West German citizens wishing to visit for periods of less than 90 days.

Air France has added two European flights, linking Paris with Bari, in southern Italy, and with Tirana, the capital of Albania. Flights to Bari from Charles de Gaulle airport are scheduled on Tuesdays, Thursdays and Sundays. Flights to Tirana, with a stopover in Bari, will leave on Tuesdays and Thursdays. *(IHT)*

The Civil Aviation Authority in Britain grounded all 12 of the Boeing 737-400 aircraft operated by British carriers on Monday after two recent engine failures. Both incidents involved damage to fan blades in CFM56-3C engines manufactured by SNECMA of France in a joint venture with General Electric. *(AP)*

WEATHER

	HIGH C	HIGH F	LOW C	LOW F	
EUROPE					
Alicante	27	81	18	64	fr
Amsterdam	23	73	17	63	fr
Athens	25	77	22	72	fr
Barcelona	25	77	18	64	fr
Belgrade	18	64	16	61	fr
Berlin	22	72	13	55	fr
Brussels	23	73	15	59	fr
Budapest	24	75	14	61	fr
Copenhagen	20	68	16	61	fr
Costa Del Sol	28	82	19	66	fr
Dublin	19	66	14	57	fr
Edinburgh	22	72	14	64	fr
Florence	—	—	15	59	fr
Frankfurt	19	66	15	59	fr
Geneva	23	73	15	59	fr
Helsinki	17	63	14	61	fr
Las Palmas	25	77	20	68	fr
Lisbon	25	77	17	63	fr
London	25	77	17	63	fr
Luxembourg	17	66	14	57	fr
Madrid	32	84	16	61	fr
Milan	27	81	18	64	fr
Moscow	19	66	17	63	cl
Munich	18	64	13	55	fr
Nice	—	—	—	—	no
Oslo	21	70	12	54	fr
Paris	—	—	—	—	no
Prague	21	70	15	59	fr
Reykjavik	11	52	9	48	fr
Rome	27	81	18	64	fr
Stockholm	22	72	14	61	fr
Strasbourg	—	—	—	—	no
Venice	25	77	18	64	fr
Vienna	23	70	15	59	fr
Warsaw	15	59	14	57	r
Zurich	21	70	12	54	fr
MIDDLE EAST					
Ankara	23	70	—	—	cl
Cairo	31	88	19	73	fr
Istanbul	22	72	18	64	fr
Jerusalem	23	73	12	55	fr
Tel Aviv	27	81	18	64	fr
OCEANIA					
Auckland	—	—	—	—	no
Sydney	15	59	13	55	cl

	HIGH C	HIGH F	LOW C	LOW F	
ASIA					
Bangkok	36	84	28	82	fr
Beijing	28	79	20	68	fr
Hong Kong	31	88	27	81	fr
Manila	32	90	29	84	fr
New Delhi	—	—	—	—	no
Seoul	21	70	17	63	r
Shanghai	—	—	—	—	no
Singapore	31	88	26	79	fr
Taipei	33	91	26	79	fr
Tokyo	23	73	13	55	fr
AFRICA					
Algiers	26	82	14	61	fr
Cape Town	18	64	5	41	fr
Casablanca	24	75	18	64	fr
Harare	18	64	—	—	r
Lagos	—	—	—	—	no
Nairobi	21	70	14	61	fr
Tunis	—	—	20	68	fr
LATIN AMERICA					
Buenos Aires	—	—	—	—	no
Lima	—	—	—	—	no
Mexico City	29	84	14	57	fr
Rio de Janeiro	—	—	—	—	no
NORTH AMERICA					
Anchorage	15	59	8	46	r
Atlanta	31	88	21	70	fr
Boston	24	75	13	55	fr
Chicago	24	75	18	64	fr
Denver	34	75	12	54	cl
Detroit	24	75	16	61	fr
Honolulu	30	86	23	73	fr
Houston	33	91	22	72	fr
Los Angeles	21	70	15	59	fr
Miami	31	88	24	75	fr
Minneapolis	23	73	12	53	fr
Montreal	24	75	13	55	fr
Nassau	32	90	25	77	fr
New York	27	81	17	63	fr
Phoenix	40	104	25	77	cl
San Francisco	21	70	12	54	fr
Seattle	21	70	11	52	fr
Toronto	29	84	11	52	fr
Washington	28	82	19	66	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

TUESDAY'S FORECAST — CHANNEL: Mainly cloudy. FRANKFURT: Fair. Temp. 22 — 72 (72 — 64). LONDON: Fair. Temp. 27 — 14 (81 — 61). MADRID: Fair. Temp. 29 — 15 (84 — 59). NEW YORK: Cloudy. Temp. 24 — 19 (75 — 66). PARIS: Fair. Temp. 24 — 13 (75 — 55). ROME: Fair. Temp. 26 — 15 (79 — 59). TEL AVIV: Fair. Temp. 28 — 17 (82 — 63). ZURICH: Fair. Temp. 21 — 11 (70 — 52). BANGKOK: N.A. HONG KONG: N.A. MANILA: N.A. SEOUL: N.A. SINGAPORE: N.A. TOKYO: N.A.

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From Fingerprinting to Gene Profiling: The FBI Takes a Closer Look

By Andrew H. Malcolm
New York Times Service

WASHINGTON — The Federal Bureau of Investigation has begun using a revolutionary laboratory identification process that is considered the most important breakthrough in forensic science since fingerprinting.

The procedure, called DNA profiling, had been confined until recently to very few cases handled by some private laboratories.

But now, by using the FBI laboratory, any police department in the United States can obtain positive identification of a suspect based on the unique genetic material in each small specimen of blood, semen, other fluids or tissues.

The process has affected more than 200 police investigations, some of them in surprising ways.

Developed in Britain in the early 1980s at the University of Leicester by Dr. Alec J. Jeffreys, DNA profiling has been applied to forensics in Britain for the last 36 months.

The FBI began widespread use of the technique after concluding a year of practical tests in December.

Although defense lawyers in a New York murder case are challenging the technique and interpretation of a DNA profile by a private laboratory two years ago, the basic science has gone almost unquestioned in more than 80 court cases in the last two years.

In the New York case, involving the murder of Vilma Ponce of the Bronx and her 2-year-old daughter, numerous scientists challenged a DNA profile done by Lifecodes Corp. of Valhalla, New York, on a bloodstain found on the watch of the defendant, Joseph Castro.

FBI officials said that the basic technology was not under challenge, but rather a technique that is no longer used.

Although the DNA process can help in homicide cases, it is most useful in sex crimes, usually the hardest to solve. Only half of reported rapes end in arrests and only 44 percent of those arrested are convicted.

Ultimately, the FBI laboratory and other institutions expect to be able to reconstruct a descriptive physical profile of a criminal — including hair and eye color — by unlocking the genetic codes in specimens as small as a single hair or a drop of blood.

The laboratory, at the FBI headquarters in Washington, has received more than 220 specimens from its agents and police departments around the United States since it began using the technique in January.

Final reports for the first 80 cases suggest that the precision and easy availability of DNA profiling is helping to shorten, direct and even reopen criminal investigations.

The technology is considered even more important than fingerprinting because such biological evidence as hair or skin is found at the scene of a crime more often than fingerprints.

In those cases, 50 profiles positively tied the suspect directly to the crime. In 20 cases the tests ruled out the initial suspect, while the evidence in 10 cases was either too small or too decayed to be used.

But the technology has raised concerns. Civil libertarians say that it may become routine or required for some or all segments of society.

Colorado, for instance, requires that those convicted of sex offenses undergo the DNA test before they are released.

While the planned national computerized bank of DNA profiles could help track criminals, identify lost children or human remains and determine parentage, the information pool could provide employers and insurance companies with confidential information on prospective employees or customers.

DNA, or deoxyribonucleic acid, is found in every cell. Different in each person, it forms genes and carries the code for heredity.

Enough DNA can be found for the test in the root of a hair or in small skin samples, such as those sometimes found under the fingernails of a murder victim.

"It may seem amazing," said Kenneth W. Nimmich, special agent in the FBI's Laboratory Division, "but we're now doing DNA profiling routinely every day. In our opinion, it's the biological equivalent of fingerprinting, the closest to a positive personal identification of anything to date."

In one serial rape case this spring, police in Florida came to the FBI with vaginal swabs from seven women, seeking to pinpoint one man as their prime suspect in seven similar crimes.

After 45 to 60 days of tests the FBI gave the local police a report that reshaped their investigation.

"We told them one suspect did five of the rapes," Mr. Nimmich said, "but they better also look for two other copycats."

The process is considered the biggest advance in forensics since the turn of the century, when Sir Edward Richard Henry discovered how human fingerprints could be used to identify criminals.

The process could save money by shortening police investigations. Because of its precision, it also could increase conviction rates.

Fingerprints are unique to each individual. But within a person's DNA are many other physical traits, including indicators of whether hereditary diseases are likely to develop.

The profiling is done by extracting the DNA from cells and cutting it into smaller pieces. Radioactive probes are added and they combine with certain repetitive sequences of the four nucleotides that are DNA's building blocks.

When exposed to film over several days, the result is a pattern similar to grocery-store bar codes.

If sufficient probes are applied, a genetic pattern emerges that scientists say is unique to one person among millions or even billions.

This is most helpful in positively identifying sex offenders. In homicides DNA profiling usually can only place a suspect at the scene.

The FBI accepts specimens for DNA profiling in violent personal crimes with a specific suspect or in serial rapes or child molestations for which there is no suspect.

Another procedure under research enables lab workers to take specimens with inadequate amounts of DNA and force a biological replication of the same material until enough DNA is produced to study patterns.

Thus, a wad of gum, a cigarette butt, a sweat stain or even a few cells deposited on the back of a postage stamp from the saliva of a kidnapper mailing a ransom note would be sufficient to construct a person's unique DNA profile.

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Money and Science: Conflicts of Interest

By Warren E. Leary
New York Times Service

WASHINGTON — U.S. scientists, administrators and lawmakers are increasingly worried that the lure of money threatens to compromise the quality and conduct of scientific and medical research.

Alarmed by a few notable cases in which the objectivity of scientists has been called into question, colleges and universities are issuing or revising rules intended to prevent conflicts of interest.

Some institutions fear that if they do not act, the government will intervene.

Although the credibility of the vast bulk of research is not under challenge, critics are asking whether growing financial incentives for scientists will dictate research priorities, impede the sharing of information, promote fraudulent work and increase conflicts of interest.

The institutions taking steps to prevent financial influence on research projects include Harvard, Stanford, Tufts and other major universities, the Association of American Universities, the National Institutes of Health and a subcommittee of the House Government Operations Committee.

In a case that came to light last year, Harvard said that a doctor at an affiliated hospital had violated university rules by subjecting hundreds of patients to tests of an eye treatment in which he had a financial interest.

In other recent cases, a doctor at the University of Pittsburgh accepted more than $225,000 from drug companies whose product he was testing, and doctors involved in testing an experimental heart drug held stock or options in the company that made it.

"Over the last decade, the scientific community has become as much a world of business as scholarship," said Dr. Leonard Minsky, executive director of the National Coalition for Universities in the Public Interest, a nonprofit group affiliated with the consumer activist Ralph Nader.

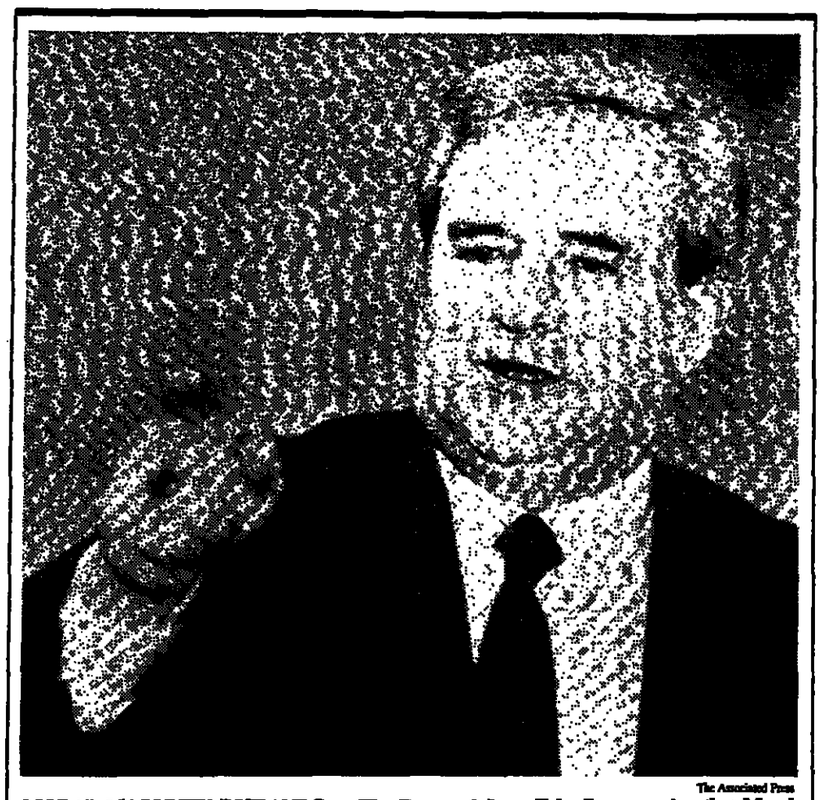
"If you make the ethics of science the same as Wall Street, you're going to corrupt science."

To counter potential conflicts of interest, many universities are developing or modifying guidelines. David Bray, dean of management and administration at Harvard Medical School, said the institution was reviewing its six-year-old guidelines because they were ignored by those involved in the eye study.

Stanford recently unveiled a tougher policy on consulting and outside activities. The guidelines require faculty members to tell their department heads regularly about their consulting activities.

The policy also restricts the buying of equipment or services from companies in which faculty members have an interest.

Last month the Association of American Universities, representing most major research institutions, began a study that will develop a conflict-of-interest guideline model for its members.



The Associated Press

MORAL MAJORITY DISBANDS — The Reverend Jerry Falwell announcing that Moral Majority, the organization of the religious right that he founded in 1979, is being disbanded. "I feel that I have performed the task to which I was called," he said at the Southern Baptist convention in Las Vegas. "The religious conservatives in America are now in for the duration."

Jamaican Leader Seeks Europe's Aid on Drugs

By Richard Berry
International Herald Tribune

PARIS — Prime Minister Michael N. Manley of Jamaica said Monday that he would seek European support for an international force, including paramilitary action against drug traffickers, to stop the flow of narcotics from the Caribbean region.

At the start of a five-nation European tour that will also include discussions of Jamaica's $4.5 billion foreign debt, Mr. Manley said that as markets for illegal narcotics in North America reach saturation, European governments must confront the reality that drug cartels will seek new outlets.

Mr. Manley said that his plan would include efforts to stop the flow of cocaine and marijuana, coordinated policies to eradicate crops in drug-producing countries and the possibility of multinational military action against suppliers.

"The concept that we have is first of all to ask the United Nations to set up a group to consider how we might create a convention on drug trafficking similar to the convention on hijacking," he said.

"What our experience shows us is that the drug problem is no longer even remotely a national or even a bilateral problem. The drug cartel has become completely international. At this moment, they regard the United States market as saturated with cocaine. What are they doing? They are targeting Britain and Western Europe.

"Their agents are out now to try to push cocaine into what they regard as a new target of opportunity. When you are dealing with people that are operating that globally, our feeling is that you have to develop a global capacity to respond to it."

The idea of foreign military involvement against drug rings has been resisted by most Latin American and Caribbean leaders, although it has strong backing from the United States.

Jamaica, long a source of marijuana, has more recently become a major transshipment point for cocaine moving to North America, according to the U.S. Drug Enforcement Administration.

"I am determined to try to smash it," Mr. Manley said. "At least there's one Third World leader who is determined to try to smash it because it will destroy my country."

The prime minister said that he supports efforts by President George Bush to force the removal of General Manuel Antonio Noriega, the Panamanian military leader who is under indictment in the United States on drug charges.

He said that the Socialist International plans to suspend Panama if General Noriega is still in power when the group meets next month in Stockholm.

"There is very real interest among the Caribbean leadership," in the proposal for an international narcotics force, he said.

He added that he would attempt to gain support for the idea during talks with Prime Ministers Michel Rocard of France, Margaret Thatcher of Britain, Felipe González of Spain and other leaders.

Mr. Manley, who defeated Edward P. G. Seaga in national elections in February, was prime minister from 1972 to 1980. That period was marked by tense relations with the United States and doctrinaire Socialist policies that frightened some international investors and led to an exodus of educated Jamaicans from the island.

Mr. Manley now appears to have substantially muted his stridency.

During his first term, the prime minister answered critics of state-controlled economic policies by pointing out that "five flights a day leave Jamaica for Miami."

On Monday, he said that his government planned to set up offshore banking facilities to allow expatriate Jamaicans to return and invest in the island with full convertibility of the Jamaican dollar.

Pressed on his shift in views and his often quoted statement that he favored dismantling capitalism "brick by brick," Mr. Manley said: "I perhaps overstated my position."

"I, like many other Socialists, have had to go back to the drawing board and rethink a lot of things and have come to the conclusion that we greatly overestimated the capacity of the state to be an effective force in production.

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G.W. Beadle, Geneticist, Dies at 85

By Glenn Fowler
New York Times Service

George W. Beadle, 85, a geneticist who won a Nobel prize in 1958 and was president of the University of Chicago from 1961 to 1968, has died of Alzheimer's disease in Pomona, California.

Mr. Beadle was awarded the Nobel Prize in Medicine and Physiology for his work in demonstrating how genes control the basic chemistry of the cell. He was then chairman of the biology division at the California Institute of Technology. He shared the prize with Edward L. Tatum of the Rockefeller Institute and Dr. Joshua Lederberg of the University of Wisconsin.

Less than three years after receiving the Nobel prize, Mr. Beadle became the seventh president of the University of Chicago, where he taught biology until 1975.

In the early 1940s at Stanford University, Mr. Beadle and Mr. Tatum demonstrated that genes transmit hereditary characteristics.

Mr. Beadle and Mr. Tatum's studies were cited by the Nobel prize jury for having made understandable a variety of effects in animal and plant cells. The discoveries led to the increased production of penicillin during World War II.

José López Rega, 72, Aide And Minister Under Perón

BUENOS AIRES (NYT) — José López Rega, 72, the strongman in the last years of the Perón government, died of a heart attack on Friday in a prison hospital.

Mr. López Rega was extradited from the United States in 1986 after living in hiding for a decade. He had been acquitted of siphoning off millions of social welfare dollars, but still faced charges of leading rightist death squads.

Mr. López Rega was a bodyguard of General Juan D. Perón in the 1950s. In 1965, he became Perón's private secretary in Madrid. When Perón regained power in 1973, he was appointed as social welfare minister and key adviser. In 1974, Mr. López Rega became the secretary of Peron's widow, Isabel.

Mr. López Rega forced opposition politicians, military figures and labor leaders to come to terms with him by establishing himself as the only conduit to the president.

Maoist Rebellion Is Accelerating in Peru

By James Brooke
New York Times Service

HUANCAYO, Peru — Starting from a small nucleus in the Andes, a Communist guerrilla movement has steadily grown in strength in the 1980s and now threatens Peru's coastal cities.

In mid-May, about a million people here obeyed an "armed strike" order by the Shining Path movement, stopping work for three days in Peru's mining and farming heartland.

In a major test of their long-term strategy of cutting off the Peruvian capital from the countryside, the Maoist guerrillas of Sendero Luminoso, or the Shining Path, cut all supplies of food, electric power and export minerals from three Andean provinces to Lima on the Pacific coast.

"Shining Path is no longer a small regional movement," said Enrique Bernales, a socialist senator in Lima who heads a congressional commission of inquiry on terrorism. "It can now cut the umbilical cord of Peru."

The war is expected to intensify in the 1990s. Peru's economic collapse and 8,000-percent inflation rate are feeding more recruits to the rebellion. Dollars for improved weaponry are flowing from a rebel-controlled river valley that is a source of half the cocaine consumed in the United States.

The depth of discontent was clear when President Alan García Pérez visited this provincial capital of 500,000 during the strike. By day, he was greeted with sparse, sullen crowds. By night, his visit was marked by about 25 dynamite attacks.

In interviews, residents said that the strike call was heeded partly out of fear of the guerrillas and partly out of anger over Peru's collapsing economy.

Prices, which increased 1,722 percent last year, are rising out of the grasp of poor people. Economic activity in the first four months of this year was 25 percent lower than levels in the corresponding period last year.

Malnutrition, which affected a million people in 1970, then 7 percent of the Peruvian population, now affects 5 million people, or 23 percent of the population of 21 million.

"It's the president's fault," an unemployed construction worker said of spreading support for the guerrillas. "Prices go up and there is no work."

Painted in red on walls around him were the Communist slogans that are common in this city: "Soldier, kill your officer and join the popular war;" "Long live Marxist-Leninist-Maoist Gonzalo Thought," and "Whoever erases this will be liquidated."

"Gonzalo" is the nom de guerre of Abimale Guzman, a 55-year-old Peruvian philosophy professor. Mr. Guzman started the group Shining Path after several visits to China in the 1960s and 1970s.

Following a long-term strategy, the Shining Path went underground in May 1980, concentrating its actions among the Quechua-speaking Indians of Peru's remote Ayacucho Province. Mr. Guzman has not been seen since 1979.

In the early 1980s, Fernando Belaúnde Terry, Peru's civilian president, routinely dismissed the movement as confined to an area that accounted for 4 percent of Peruvian territory, 3 percent of the population, and 2 percent of the gross national product.

> **'Shining Path is no longer a small regional movement. It can now cut the umbilical cord of Peru.'**
> **Enrique Bernales, a socialist senator.**

After nine years and 13,560 deaths, the situation has radically changed.

Half of Peruvians now live in emergency zones in which the army is given wide powers to combat the guerrillas.

"Basically, no area is Sendero-free," a Western diplomat in Lima said.

The guerrillas have won outright control of Peru's Upper Huallaga Valley, the source of almost half of the cocaine consumed in the United States. In this "red zone," they have won the support of coca growers by executing thieves and by forcing Colombian coca manufacturers to pay Peruvian growers higher prices for coca base.

In return, the Shining Path is believed to exact a tax on the $500 million in coca sales that take place in the valley annually.

So far, the guerrillas have fought largely with dynamite stolen from mines and with guns seized from slain policemen and soldiers. But the new war chest is expected to allow the guerrillas to fight in the 1990s with better weapons.

Of equal strategic importance is their spreading influence in three key provinces south of the coca area: Huánuco, Pasco, and Junín. That region is the sole source of electric power for Lima's 7 million inhabitants. It is a major source of food in a nation that imports about $500 million in food a year. The region also accounts for half of Peru's mineral production, largely zinc, copper, lead, and silver.

Some officials are now advocating "drastic measures." In the context of Latin American counterinsurgency wars, the phrase has often meant detention without trial, torture, and summary execution.

At City Hall, Mayor Ricardo Bohorquez Hernández advocated a different approach.

"While we have poverty, while we have unfair distribution of wealth, alternatives like Sendero will always rise up," said the mayor, who was shot four times in the chest by a Sendero assassination team in January. "Only economic development — water, sewers, schools — will take away the flags of Sendero Luminoso."

Recognizing that development could eventually defuse their movement, the guerrillas have sought to drive out Peruvian and foreign aid groups.

In December, the Shining Path detained a Frenchman and a Frenchwoman who were working on an irrigation, carpentry, and forestry development project in a village in Apurimac province. After a brief "people's trial," the guerrillas cut the aid workers' throats.

The guerrillas have had little success taking over Lima's mainstream Marxist industrial unions, either through infiltration or assassination. Lima's disorganized shantytowns, many flooded with war refugees, may prove to be more fertile recruiting ground.

But, reflecting a sharpening ideological polarization in Peru, the shining path for many coastal Peruvians is not 1960s Maoism, but the open market, an economic model adopted in the late 1980s by Chile. Many Peruvians are envious of Chile's low inflation, hard currency, and success in attracting foreign investment.

Mario Vargas Llosa, the novelist, is running for president on a free-market platform. Although Peru's presidential elections are a year away, Mr. Vargas Llosa has a comfortable lead in public-opinion polls.

But the Shining Path and another guerrilla group, the Tupac Amaru Revolutionary Movement, have vowed to disrupt elections. The first elections, for city offices in November, will provide a clear map of rebel influence in the nation. With mayors across the Andes resigning because of guerrilla death threats, it is believed that the guerrillas will block voting in 20 percent of municipalities.

"Sendero will kill the candidates," said Nelson Manrique, the historian who has become a "senderologist" — a booming field of academic research here.

"They want a coup d'etat," he said. "Then people will have to choose between Sendero Luminoso and the army."

After a spate of coup rumors in January, however, the military is believed to have decided to allow Mr. García to finish his term in July 1990. In an election year, deep rivalries are keeping civilian politicians from reaching a consensus on how to fight the guerrillas.

Swiss Ban Trading in Ivory

Reuters

BERN — Switzerland announced Monday that it would ban trading in ivory in January, joining governments around the world in trying to protect the elephant. The World Wide Fund for Nature estimates the number of African elephants has been more than halved in the last decade from 1.5 million to 625,000.

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Sandinista Foe Returns to Managua

New York Times Service

MANAGUA — After seven years in exile, a leading member of the anti-Sandinista guerrilla directorate has returned to an enthusiastic opposition welcome to take an active role in national elections scheduled for February 1990.

Alfredo César, who has been mentioned as a potential candidate for the presidency, was met by a cheering throng of more than 2,000 flag-waving supporters and led them in a march to the headquarters of his small Social Democratic Party.

His homecoming Sunday gave the strongest indication to date that rebel leaders will support the electoral process, which is aimed at bringing an end to the eight-year contra war.

Mr. César has long been considered the most moderate member of the contra directorate.

He denied that he would be a candidate for office, saying that he wanted only to "reintegrate himself" into his party and to help forge a united opposition.

Mr. César is the first top-level leader of the resistance to come back and join the civic opposition.

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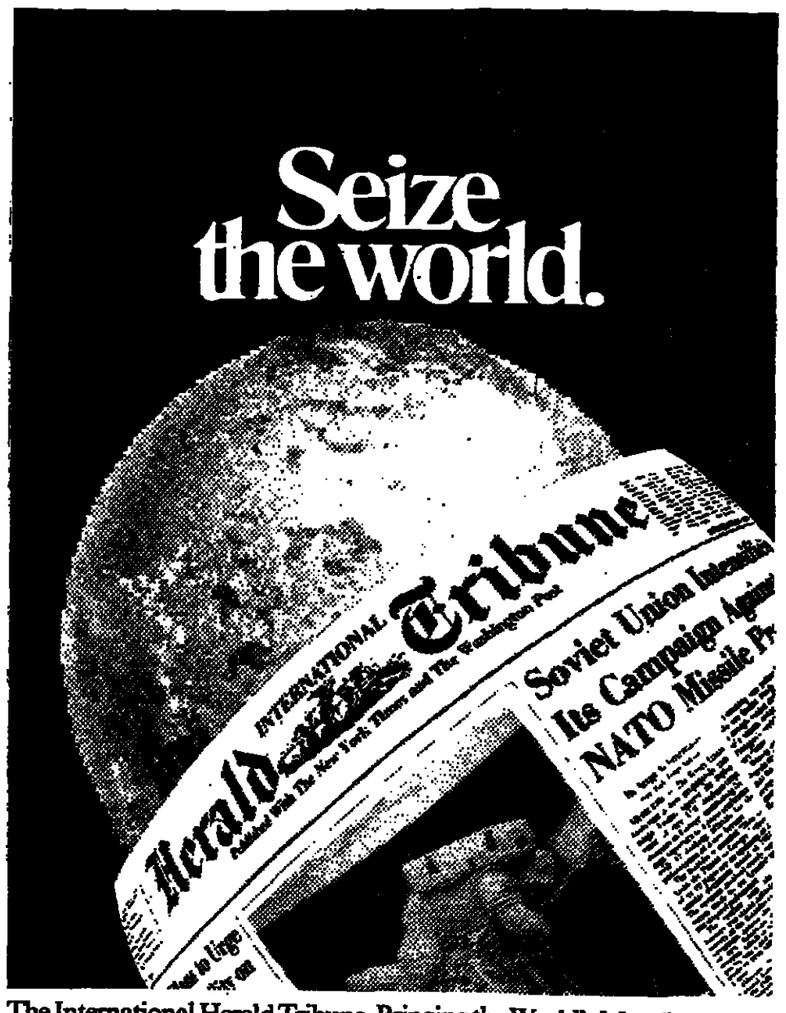

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Bush's Pakistan Formula

Pakistan's prime minister, Benazir Bhutto, has rightly won U.S. backing for a new Afghanistan policy that combines aid to the guerrillas with negotiations. She has also gained, and merits, the benefit of the doubt on her assurances that Pakistan does not intend to develop nuclear weapons. Hard questions remain, but not about her *poise and persuasiveness.*

For a decade, Washington's overriding concern in Pakistan has been to punish and help repel the Soviet invasion of Afghanistan. The Carter and Reagan administrations found a solid, if autocratic, partner in the former president, Mohammad Zia ul-Haq, who overthrew Benazir Bhutto's father, Prime Minister Zulfikar Ali Bhutto.

After General Zia's death in August in a still-unexplained air accident, his successors honored a promise of free elections. Miss Bhutto's Pakistan People's Party won the largest bloc of seats, and was able to form a coalition government. Meanwhile, Mikhail Gorbachev was honoring a pledge of his own, to withdraw Soviet troops from Afghanistan by Feb. 15. Yet none of this seemed to register in Washington, which stuck to a one-track military policy, as if General Zia still ruled and the Soviets were still bombing Afghan villages.

Miss Bhutto has persuaded President Bush to follow a two-track policy. She accepts the need to continue arming the Afghan resistance so long as the Soviets keep arming their clients in Kabul. She also recognizes the futility of seeking a battlefield solution, wisely pressing for a negotiated end to what is now a civil war.

Her plan is to seek a broadly based interim regime, excluding Soviet puppets as well as fundamentalist zealots. To show her seriousness, she has removed the head of Pakistan's powerful military intelligence, Lieutenant General Hamid Gul, point man of the old Zia policy of favoring the most fiery fundamentalists.

Her approach would put the onus for prolonging the war on Moscow if it insisted that its man in Kabul, Major General Najib, must serve in an interim coalition. That, Miss Bhutto argues tellingly, would amount to demanding at the bargaining table what Soviet arms failed to secure on the battlefield. Soviet diplomats already privately acknowledge, to Western counterparts, that General Najib is indeed the problem, not part of a solution.

On nuclear matters, Miss Bhutto repackages familiar arguments. She pledges that Pakistan will not make a nuclear weapon. But she rejects on-site inspections so long as India rejects them as well. In any case, she makes the point that Washington has its own means of verification.

Miss Bhutto's arguments are fair. More to the point, she has a claim on American backing. She adheres to democracy and moderation in an Islamic world that can benefit from examples of both.

— THE NEW YORK TIMES.

Arming Prince Sihanouk

Questions linger about the Bush administration's newly revealed decision to arm Prince Sihanouk and the non-Communist resistance in Cambodia. The stated rationale for the new aid is that it will strengthen the prince in the political struggle that is picking up steam as Vietnam moves toward withdrawing its troops by Sept. 30.

As it happens, the prince, who has blown hot and cold on aid, says he is well supplied by China, does not need American help and will not fight in any civil war that resumes as Vietnam retires. In any event, no one believes that American rifles will make him a battlefield factor. Vietnamese withdrawal will leave only two serious military forces in Cambodia, the Hun Sen government set up by Vietnam and the Khmer Rouge of Pol Pot. Both are suspect as Communists and for being beholden to a foreign power — Hun Sen to Hanoi and Moscow, the Khmer Rouge to Beijing. But there is a huge difference between them. The policies of Hun Sen are repressive and stultifying. The policies of the Khmer Rouge are lethal. The Khmer Rouge are mass murderers, true fanatics: They killed a million or more Cambodians during the 1970s.

Here lies the problem. The first goal of U.S. policy ought to be to diminish and contain the Khmer Rouge. But the prince, though he is a symbol of Cambodian nationalism and is not a Communist, is a coalition partner of the Khmer Rouge and is vulnerable to being used by them. In arming him, America risks becoming of value to the Khmer Rouge, at one remove.

The administration has now undertaken to move Cambodia aid from the overt category to the covert: from the loquacious foreign relations committees of Congress to the intelligence committees, where nothing need or can be said. But it has made an indirect but public acknowledgment of an ostensibly secret aid program.

The issue may sound like a close argument over political nuances, but the implications of aid are immense and cannot be ignored. Compared with China and the Soviet Union, the United States has only a modest role in Cambodia. It should use *what influence it has to promote a cut-off* of all foreign military assistance and a political settlement, rather than to send in rifles under conditions that could make the United States an indirect ally of the genocidal Khmer Rouge.

— THE WASHINGTON POST.

Specular Refractance Is Out

Military cuisine was once a process whereby they put something on your aluminum tray and you ate it. It is not quite that simple anymore. Consider the matter of chocolate chip cookies.

At a recent Capitol Hill hearing on military procurement and the complicated regulations that drive away some small contractors, Senator William S. Cohen, Republican of Maine, cited the Pentagon specifications as to what sort of commercially made cookies are suitable for the American serviceman. The specifications run to 15 pages and include the following:

"Type I, oatmeal with chocolate chips. The cookies shall be well-baked. They shall be browned on the bottom surface and outer edges, but not appreciably browned on the top surface. They shall be wholly intact, free of checks or cracks ... The cookies shall be tender and crisp with an appetizing flavor, free of a burnt or scorched flavor ... "

Also this: "Type II, sandwich. Each cookie shall consist of two round base cakes with a layer of filling between them. The weight of a cookie shall be not less than 21.5 grams with the filling weighing not less than 6.4 grams. The base cakes shall have been uniformly well-baked with a color ranging from not lighter than chip 27885 or darker than chip 13711 ... The color comparisons shall be made under ... sky daylight with the objects held in such a way as to avoid *specular refractance* (glossiness) ... The filling shall be centered so that is does not protrude beyond the perimeter of the base cakes ... "

At this point a couple of images come to mind. One is of a full colonel somewhere in the Pentagon laboriously measuring the fillings of a Hydrox and then an Oreo and all the while muttering incredulously, "This is not what they said I would be doing when they taught me about bases and perimeters back at Fort Benning." The other is of a soldier ducking an aluminum tray hurled at him by a mess sergeant who didn't mind the complaints about the food but was mortally offended by the implication that he had engaged in specular refractance.

— THE WASHINGTON POST.

Other Comment

The Rape of Beijing

Just how China can grope back to stability and growth is an extremely troubling question. If the armed forces were divided over the suppression, then it may be that China is in for a terrible reprise of the warring states. More likely is that enough rational leaders remained to perceive that the nation would be committing suicide if that happened: degeneracy into warlordism, maybe, or at the least a tragic forfeiture of modern China's hard-earned position in the world. ...It's no surprise that China's only remaining enemy of record, Vietnam, fell over itself to endorse the rape of Beijing. Hanoi's own future is now written in gore on the wall. Leninism first outlived whatever practical utility it had, and now in Asia it's lost its soul. Reformism has been a variety of drug used to keep China from recognizing how much it remained in the grip of a political dead hand. It was a comforting sedative, possibly necessary even, so long as the nation was slowly regaining its health. But now the sleepers are awake, and the world will not be the same. If they see no way out, cynical intimidation is not going to keep a billion people from finding one.

— Asiaweek (Hong Kong).

In Hong Kong, Taiwan and Cambodia, years of patient Chinese diplomacy are threatened by the horror of the past week. The impact reaches Thailand, eager to get the investment that China might lose, and even to Japan, where the Hokkaido Takushoku Bank has suspended talks on construction of facilities for next year's Asian Games in Beijing. It is in Hong Kong where the turmoil is felt most acutely. The colony is due to become "an inalienable part of the People's Republic of China" on July 1, 1997, and Canadian, Australian and other consulates are overwhelmed with immigration requests from Hong Kong people trying to get out. The British government wallows in hypocrisy as it seeks justification for denying entry to the United Kingdom to more than one million ethnic Chinese in the colony holding British passports. China cannot have an earthquake without all of Asia, indeed all the world, feeling the tremors. It is an earthquake that could force China into a great leap backward ...

— The Baltimore Sun.

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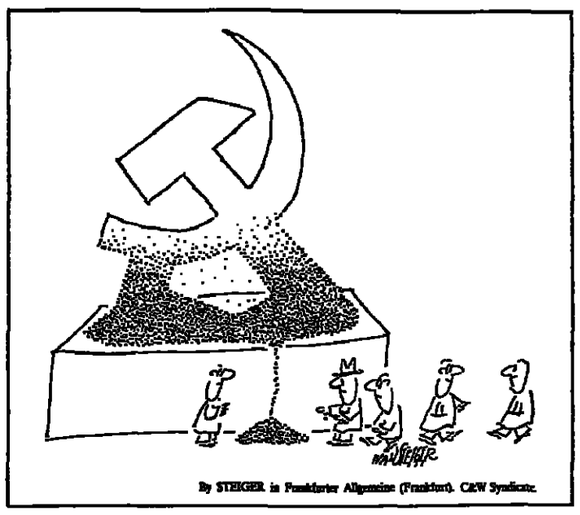
OPINION



By STEIGER in Frankfurter Allgemeine (Frankfurt). C&W Syndicate.

What Deng and Li Can Never Win

By Edward A. Gargan

BEIJING — As dawn broke on June 4, a Chinese tank rolled over a luminously white statue of a woman, her two arms holding a symbolic flame above her head, which had stood for 10 days in the heart of the capital. It is said on Beijing's campuses that the tank also crushed to death 11 students who had linked arms in a protective circle around the statue, a figure they called *minzhuzhishen*, the goddess of liberty.

It was a week of indescribable horror for the citizens of Beijing, for the people of China. The jubilant if weary weeks of pro-democracy protest were truncated by the tanks and machine guns of China's leadership which, the world now knows, responded to yearnings for liberty, for a freer society, with mass slaughter. This massacre, an act instigated by the brutish primal instincts of a Communist leadership honed not by debate but by discipline, not by compromise but by diktat, not by persuasion but by force, has profoundly, and in many ways indelibly, changed modern China.

In the past decade, volumes have been written depicting China as a nation that had found itself, a nation that had escaped the devastation of the Cultural Revolution and was emerging as a society with values and virtues approaching those of the West. China was becoming a stable, modern country, one that recognized the need to adhere to international standards of behavior economically, as well as the more basic humanitarian principles accepted as an essential component of a civilized society.

The United States did much to bolster this image. In recent years, visits by U.S. officials encouraged this perception. Foreign companies looked gleefully at this emergent respectability and fought each other to invest here. Modern hotels sprang up like stands of new pine. Their restaurants served Chateau Lynch Bages and goose liver paté. The U.S. ambassador routinely hailed the stability and wisdom of the leadership to American reporters, insisting that periodic bursts of repression were anomalous twitches of a maturing polity.

At every turn, suggestions that there were fundamental contradictions between China's modernizing process, one that favored free markets and entrepreneurialism, and the rigidities of a Communist Party weaned on violence and totalitarianism were contemptuously dismissed.

China's students shared that optimism, that sense that there was no turning back to the black years of repression and hopelessness. China was becoming more open, they said over and over again. In classrooms, students skimmed Karl Marx, but they poured over Adam Smith, Walt Whitman and Sigmund Freud. "There is nothing we cannot read. There is nothing we cannot write. There is nothing we cannot say," a Chinese professor said months ago. And the students were reassured by their leaders, doddering men who had learned politics on the battlefield, that yes, China would never retreat.

That conviction, that feeling that history's momentum would carry them forward to a China of genuine liberties and freedoms, guaranteed not by the promises of self-anointed leaders, but by the institutions they created, spurred tens of thousands of students to demand those rights, and lured hundreds of thousands of Beijing citizens to follow.

Some of China's leaders seemed sympathetic to the students. But the men who controlled the levers of power, the army, the police, the vast propaganda apparatus, refused to countenance this challenge to their authority. The days of marches, the hunger strikes, the encampments on Tiananmen Square, were not, they determined, peaceful petition and protest. This was counterrevolution. This call for democracy and freedom

The doddering men had promised that China would never retreat.

was a threat to the survival of the Communist Party itself. And of course, these leaders were right.

Even as the tanks rumbled into Tiananmen Square, their headlights illuminating the frail line of unarmed students who stood determined and frightened before them, there were flickering signs that some in the army, some in the party, would never stomach the slaughter of civilians. But these voices of moderation were stifled by the rattle of assault rifles, the clatter of cartloads of bodies frantically being pushed to overburdened hospitals, the determination that military dictatorship was preferable to reasoned discourse.

But the army had retaken the city. In the neighborhoods of Beijing, residents would point to ugly dark stains on sidewalks. "An old man was killed here," a fearful neighborhood resident would say, "shot in the head."

And now the army and police have turned their attention in earnest to the instigators of this "counterrevolution" — the men and women of China's universities and scholarly institutions, the people who had fashioned China's intellectual resurgence, its resurrection from the systematic tyranny over the mind. Columns of troops swept into the Chinese Academy of Social Sciences, the home for some of the country's most progressive thinkers, and began a systematic search for "evidence" of counter-revolutionary activities.

There is little question what China will look like in the coming months and years. Ideas will be displaced by empty slogans, discussion by silence, hope by fear, humanity by violence. Many, many people will be arrested. Public trials will be held and executions will be touted as "victories" in the struggle against counterrevolution. The best of China's minds will be shackled by a repression this country experienced during the Cultural Revolution, but the world ignored.

This time, graphically, the world has seen what China's leaders really are and, for China, the world will never be the same place.

But the men at the apex of the Communist Party and the army simply do not care what the world sees. That China's economic growth, tied increasingly to international trade and investment, will be set back a decade or more is irrelevant to leaders whose sole concern is the preservation of armed power. That China will no longer sit at the world table as a respected member of the international community matters not one whit to men for whom the grinding poverty of authoritarianism is preferable to an affluence of pluralism.

What Deng Xiaoping, Yang Shangkun and Li Peng have won, though, is a victory of generals, a victory of occupied territory, of secured street corners and recaptured monuments. What they have not won, what they cannot win, what they have lost forever are the hearts and minds of the Chinese people.

In the darkest days of repression yet to come, there will remain vivid memories of the murderous rampage let loose by China's leaders, and more, the memory that there were better days before, and there may be some still ahead.

A university student riding his bicycle through the war-torn streets of Beijing pedaled quietly for a while before speaking. But when he spoke, his words, colored by the recent tragedy, told of a deeply rooted certainty that the Chinese people would overcome even this calamity. "There must be blood to have democracy," he said. "In Chinese history, there has always been blood."

The writer, chief of the New York Times bureau in Beijing from 1986 to 1988, is now working on a book about China. He contributed this comment to the Los Angeles Times.

Communism and the Death of a Pretense

By Anthony Lewis

BOSTON — Communism as a political idea, a movement claiming a hold on the minds of men and women, has played a powerful part in world history for more than 70 years. That period came to an end last week.

Events in China and Poland destroyed what must be the foundation of any political system: legitimacy. In Poland, a Communist Party for the first time allowed its popular support to be tested in an honest national vote — and was overwhelmingly, humiliatingly rejected.

In China, military force swept away the illusion of government with the consent of the governed.

Of course last week was not the first time that Communist regimes have been shown to rest not on popular consent but on tyranny.

But there was a historic finality about these latest dramas. In Poland the party was forced by economic crisis, and the crisis of authority, to make a deal with Solidarity. It had to abandon the usual subterfuges concealing the nature of its power. And it was seen to be an emperor with no clothes.

China was an even more compelling story. For the People's Republic came to power in 1949 as the result of an undoubted popular revolution.

Western governments, eventually including the United States, accepted the legitimacy of the regime.

Now we see that the party has lost its mandate in China, too. The people have made as clear as they can that they have no faith in the system under which they live.

The party can rule only by force, offering as an excuse for the murder of peaceful demonstrators Orwellian talk of "thugs" and counterrevolutionary plots.

Or, more accurately, we see that the Communist Party of China does not really exist — not as an institution with an enduring structure and values. It is simply a vehicle for the exercise of power by one individual or another. The struggle is for power. The rest is pretense — or was until the pretense was stripped away.

We in the West can see a number of things more clearly after these shattering events. One is how much we have at stake in Mikhail Gorbachev.

In Poland, what did not happen was as important as what did. The Soviet government did not intervene when a Communist regime moved to share power. The dog did not bark.

There could hardly be more convincing proof that Mr. Gorbachev is serious in his talk of change. Poland is the historic path for invasion of Russia. It is the most sensitive of all East European countries in terms of Soviet interests. If Mr. Gorbachev is prepared to allow a genuine shift of power there, the hope of ending the East-West division in Europe is not fantasy.

But it all depends on whether change of so revolutionary a character can occur peacefully, gradually — *without an explosion in Eastern Europe or the Soviet Union itself.* That is the West's stake in Mr. Gorbachev.

China hits us first of all in human terms. We saw those students, and the civil servants and ordinary people supporting them. We know how they are going to suffer if the present tyranny keeps its grip.

Last week I sat and talked with three Chinese students who are at U.S. universities. What struck me was not only their sadness, their tears, but their devotion to China.

"My father was a target in the anti-rightist campaign 30 years ago," one said. "He lost the most useful years of his life, when he could have contributed to China. Now I see that it is going to happen to me. Another generation will be lost."

The other thing brought home to me was the importance of enduring political institutions. China, those students said, has suffered because political power has for so long been personal, and change is so often violent. The United States has had terrible governments, but the constitutional structure endures.

The New York Times.

Moscow's View on the Bush Disarmament Initiative

By Viktor P. Karpov

The writer is deputy minister of foreign affairs in the Soviet Union.

WASHINGTON — After the Brussels jubilee session of the NATO council late last month, many commentators adopted the following thesis: President George Bush has taken the initiative in disarmament from Mikhail Gorbachev.

Such treatment of the matter seems to reflect an approach to disarmament talks as a propaganda undertaking, in which everyone is trying to score points, not pushing for specific reductions in arms or forces.

To the Soviet Union, it does not make any difference who takes the palm of leadership in advancing one idea or another. The important thing is that this idea should work toward a final result of a reduction of mountains of arms and promote security.

It is from this standpoint that we appraise the initiatives announced by President Bush in Brussels.

We regard these initiatives as a response — fuller in some areas than in others — to the proposals set forth by the Soviet Union, notably by Mr. Gorbachev in his New York speech in December and during his meeting with Secretary of State James Baker, and by the Warsaw Pact delegations at the Vienna meeting on conventional arms reductions. We see them also as the result of the Bush administration's analysis of military-strategic and political-military problems.

We would hope for a similar response from the United States that might give impetus to the talks on questions of space weapons and compliance with the Anti-Ballistic Missile Treaty, in drafting an agreement on 50 percent cuts in strategic offensive arms, in working out an underground nuclear test verification system and in banning chemical weapons and eliminating their stockpiles.

As for conventional armaments, a unique situation is taking shape that enables the parties not only to bring their positions at the Vienna talks closer, but to reach an agreement within a rather short time.

We want to complete the talks without delay. Six months sounds good. If not, let it be a year. But it follows from the Brussels decisions that Mr. Bush's ideas will not be transformed into specific NATO proposals until September, and so will not be put on the negotiating table in Vienna before then. This fact raises doubts concerning the deadline (of six to 12 months) offered by the U.S. president for completing the talks.

And let us turn to the substance of the negotiations on conventional forces. Both the Warsaw Pact and Mr. Bush suggest the same levels of reduction in tanks and armored personnel carriers, while levels of reductions in artillery systems and helicopters are fairly close. Thus, one can hope for an early agreement in these fields.

The matter is more complex as far as reductions in aircraft. We consider unjustified the inclusion by the United States of a purely defensive weapon, fighter-interceptor aircraft, in the category of aircraft slated for reduction. There is a common understanding that only offensive systems, systems ensuring a surprise attack capability, should be reduced. We need to find ways to bring the positions closer together.

One can welcome the readiness expressed by the United States to discuss certain limits on the numerical strength of armed forces. However, the proposed limits are too narrow.

Mr. Bush spoke only of cuts in U.S. and Soviet forces stationed on the territory of foreign states in Europe. Establishing a ceiling of 275,000 troops for the United States and the Soviet Union outside their frontiers in Europe means ignoring the balance between NATO and the Warsaw Pact.

In the Warsaw Pact, only the Soviet Union has troops outside its frontiers, whereas in NATO (in addition to the United States) Britain, France, Belgium and Canada have such troops. Their total numerical strength (in addition to those of the United States) stands at about 100,000 officers and men. Can this be ignored?

We regard the absence, in Mr. Bush's statement, of a positive official response to the Warsaw Pact proposal for immediate talks on short-range, tactical nuclear weapons in Europe as a serious deficiency. We heard that, at present, the United States does not object in principle to negotiations on tactical nuclear weapons, but only after the beginning of the implementation of agreements achieved at the Vienna talks on conventional armaments.

But does this not create an opportunity for someone — an opponent of arms cuts — to resort to a kind of dual diplomacy? Delaying the conclusion of agreements in Vienna would put off the beginning of talks on tactical nuclear systems. That, in turn, would allow time for the development of new tactical nuclear missiles.

We stand for a parallel solution to both the problem of conventional armaments and the problem of tactical nuclear weapons in Europe. It is the only way to attain the commonly affirmed goal of all parties to the Vienna talks: to achieve a reduction of arms in Europe that would ensure the restructuring of the armed forces of NATO and the Warsaw Pact on a purely defensive basis.

I would hope that common sense will prevail in the sphere of tactical nuclear weapons in Europe the way it has prevailed in other spheres.

The New York Times.

Philippines: Planning a U.S. Pullout

By Alvin H. Bernstein

NEWPORT, Rhode Island — President Corazon Aquino has said that in 1990 she will give Washington formal notice to terminate a longstanding agreement governing the U.S. military presence in the Philippines. A month earlier, the United States had agreed to give Manila $962 million over two years, a sizable aid increase, but less than half the $1.2 billion a year sought by the Aquino administration.

Mrs. Aquino hedged her statement, saying she was keeping open her country's options. But the United States must take her threat seriously. It should recognize that Manila is in a politically difficult position, and it should respond with a proposal for a phased withdrawal that gives the United States, the Philippines and the region time to adjust to a relocation of U.S. forces. Discussion of this plan should begin when Mrs. Aquino visits Washington late this year.

Mrs. Aquino's Unity Platform, a policy *manifesto* drawn up in 1984 during her campaign to oust Ferdinand Marcos from the presidency, says that "foreign military bases on Philippine territory must be removed and no foreign military bases shall hereafter be allowed." The signers included Jovito Salonga, now president of the Senate, and Ramon Mitra, speaker of the House of Representatives. Many members of her cabinet also signed.

The Philippine Constitution requires an affirmative vote by two-thirds of the Senate to renew the bases agreement. A recent survey revealed that only a handful of senators would support such a treaty.

Segments of the political coalition that Mrs. Aquino forged under the banner of "People's Power" oppose the renewal. She is beholden to many groups — students, progressive clergy, left-of-center nationalists, members of the intelligentsia — for whom the U.S. military presence is an unbearable reminder of the country's colonial past.

On the other side of the issue stand powerful forces that also have claims. They include the Philippine armed forces, economic groups that benefit from doing business with the U.S. military, and the traditional oligarchs who still control the economic structures underlying political power in the country. Mrs. Aquino can only ignore these groups at her peril.

If the Manila government asks the Americans to leave, they will be tempted to retract their defense perimeter to the mid-Pacific. Such a retreat would have adverse consequences for the non-Communist nations of Southeast Asia and for the Philippine people. In a stroke, the fragile economy of the Philippines would lose all the revenues the U.S. military presence brings it. The country would also stand to lose considerable foreign aid.

A precipitate U.S. withdrawal would be the worst solution. The best would be a long-term renewal

The bases accord faces a tough renewal fight.

that allowed the United States to feel secure about its tenure and was lucrative enough to persuade all but the most ardently anti-American Filipinos to admit that their leaders had negotiated in the national interest. Yet Filipino feeling and the state of the U.S. economy may conspire to make this alternative the least likely.

How, then, can those concerned avert an outcome that will increase the expense and reduce the effectiveness of U.S. Pacific strategy, diminish the security of ASEAN — the Association of South East Asian Nations — delight the Communist insurgents in the Philippines and harm the country's economy?

First, the United States must understand that it cannot retain basing rights in the Philippines much beyond the end of the 1990s. America can neutralize its image as a postcolonial power by conceding that it does not intend to maintain its military presence indefinitely.

So the U.S.-Philippine negotiations in 1991 focus not on renewal of the basing agreement but on a phased withdrawal. This agenda would remove domestic pressure from the Aquino government and reduce the possibility of damaging splits within her administration and between Manila and Washington.

This, above all, would buy time for Filipinos to put their economic house in order and bring the Communist insurgency under control, and for America to fund and build the facilities necessary to maintain a viable Pacific strategy and ensure the security of Southeast Asia.

Manila should set the timetable for the phased U.S. withdrawal with an eye to when and how best the Philippines can adjust financially to independence from American economic and security assistance. America would want time to spread the costs of relocation through as many fiscal budgets as possible and work with the countries of ASEAN — Brunei, Indonesia, Malaysia, Singapore and Thailand as well as the Philippines — to develop alternatives to Clark Air Base and the Subic Bay naval complex.

There is no question of Washington asking any one of them to replicate the Philippine facilities. Rather, the United States should seek a series of bilateral arrangements that collectively would permit sufficient air and naval forces to remain in the region to preserve an effective deterrent strategy.

The time to discuss a change in the negotiating agenda is during President Aquino's visit to Washington, tentatively scheduled for the last quarter of this year. If Mrs. Aquino truly means to give the United States notice next year, she should now give other ASEAN countries that want a continuing U.S. military presence the green light to open negotiations. Otherwise, she may leave them insufficient time to prevent a gap from opening in the region's defenses.

The writer, who is chairman of the Strategy Department at the U.S. Naval War College, wrote this personal comment for the International Herald Tribune. His views do not represent those of any U.S. government agency.

100, 75 AND 50 YEARS AGO

1889: German Politics

BERLIN — Herr Oberwinter, the chief of the new "Social Kingdom," or loyal Imperial Socialist party, has finally decided to stand for one of the Berlin seats at the next elections for the Reichstag. The new party has been formed to combat the Revolutionary Social Democrats, who have been steadily gaining strength in Berlin and elsewhere, and who have been opposed with any appreciable success only by the anti-Jewish Conservative extremists led by Court Chaplain Stoecker. The disappearance of that fanatic from political life, and the consequent disorganization of his party, seemed to give the Social Democrats their own way in the capital.

1914: American Capital

PEKING — President Yuan-Shih-Kai received Mr. Joseph Leiter, the Chicago capitalist, in audience today [June 12]. The president expressed himself as favoring the investment of American capital in China on account of the more progressive American methods from an administrative standpoint, as evidenced by American institutions. He also expressed appreciation of the broad and liberal policy of the American Government in its present and past relations with the Chinese Government. This policy had established a feeling of confidence in American enterprise in China, which the Chinese would do all in their power to foster.

1939: Fairbanks's Plan

LOS ANGELES — Douglas Fairbanks Jr., in a statement today [June 12] urged that 1940 Presidential candidates present themselves to the public through feature-length biographical films. The actor's plan provides that prominent character actors act the candidates' roles from scenarios approved by a board of impartial biographers. "Doug" Jr. added that the cost of such films would amount to about $100,000 each.

OPINION

Fang Lizhi: The Houseguest Is a Hero

By William Safire

WASHINGTON — America has a new houseguest. He is the astrophysicist Fang Lizhi, the Most Wanted man on the enemies list of the Second Cultural Revolution.

You can send him and his family a welcome note care of the U.S. Embassy in Beijing, where they are holed up under American protection. The asylum granted him has infuriated the Deng Xiaoping regime, already incensed at the way the Voice of America is undermining its Orwellian line that only soldiers, not unarmed students, were killed in the Tienanmen massacre.

No matter how it strains relations, the United States is not about to turn Mr. Fang over to this decade's version of the Red Guards. Under international law, that diplomatic compound is U.S. territory: if it were invaded, China would become an outcast nation, much like Ayatollah Khomeini's Iran after the rape of the U.S. Embassy in Tehran.

America has extended its diplomatic hospitality at some length before, from persecuted Pentecostals and Jews in Moscow to Cardinal Joseph Mindszenty in Budapest; the Hungarian prelate was freed from Communist prison during the 1956 Hungarian uprising and remained America's guest — embarrassing the puppet regime — for 15 years.

America owes Mr. Fang a special welcome; he was the dissident invited to dinner with President Bush during his visit to Beijing in February. When Communist police harassed him, Mr. Bush made his first foreign-policy mistake in refusing to protest publicly.

Other Chinese patriots, imprisoned for years or now being hunted, have a claim to leadership in martyrdom, and the man the world saw trying to stop a column of tanks will always be etched in memory. But Mr. Fang is now the dissident in the fishbowl, the new Mindszenty, the next Nobel winner, publicized by official denunciation and protected by the United States.

This makes him one of the trio of the world's most famous dissidents — individuals who come to personalize and symbolize freedom.

Last week, one of the trio, the Solidarity leader Lech Walesa, rose in power from dissident to opposition leader. The hero of the Gdansk shipyard strike — his activity harassed and declared unlawful for a decade in Poland, but steadfastly supported by courageous Poles and by organized labor in America — reached a new level in his climb to the official leadership of his nation.

Central to world support, and to the local power and protection that come from international celebrity, is the willingness of a charismatic individual to suffer, to cry out, to lead.

The Soviet citizen who continues to ennoble and annoy his people by his refusal to be corrupted by co-option is Andrei Sakharov. He is today's Elijah, a man with the unpopular message of truth.

In Washington in November, the physicist told a gathering of scientists "I am a poor orator" and proved it with a mind-numbing lecture on the instability of the proton. But in Moscow last week, attacking the "aggressive obedience of the majority" to the smooth dictation of Mikhail Gorbachev, his non-Communist manifesto could be heard round the world:

Like Sakharov and Walesa, he symbolizes freedom.

"If you float downstream singing lullabies to yourselves," he told all the smug deputies content with the trappings but not the reality of democracy, "... the growing tension may explode in our society, bringing about the most dramatic consequences."

Then the great physicist tried an experiment in free speech that tested the validity of glasnost: He started to urge an official expression of repugnance after the Tienanmen massacre, even to the recall of the Soviet ambassador.

The results of the Sakharov experiment were revealing: Mr. Gorbachev, who captivates the West with his forbearance in the face of personal criticism, will not accept free speech in the Soviet Congress on matters touching on his new prerogatives.

Mightily displeased, the Soviet leader reached for the button that controls the microphones and cut Mr. Sakharov off. So much for glasnost; on substance, the mike belongs to Mikhail.

Future historians, examining the decline of communism in the 1980s, will duly note names like Deng Xiaoping, Wojciech Jaruzelski and Mikhail Gorbachev as transitional figures who provoked, delayed or sought to avoid the inevitable counterrevolution.

Our grandchildren will be studying the dramatic change of primacy in most of the world from the lust for order and security to the yearning for freedom and opportunity. They will pay far greater attention to Mr. Fang, Mr. Walesa and Mr. Sakharov as the real newsmakers and authentic heroes of these times.

The New York Times.

LETTERS TO THE EDITOR

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

The Shock in Tiananmen

The Chinese students and the hundreds of thousands of citizens who have openly supported their courageous and nonviolent demonstrations have gained international admiration and respect. It is horrifying to see Chinese troops firing into peaceful crowds and murdering innocent people. Any government member who instigates or condones such behavior cannot represent the people; the officers and soldiers involved make a mockery of the principles upon which the People's Liberation Army was founded. They deserve the worldwide condemnation they are receiving.

Mrs. EDGAR SNOW.
Eysins, Switzerland.

I am a Chinese student, presently studying in Harvard Divinity School. I am enormously shocked and stunned by the fiendish cruelties of the Chinese government. What a shame! What a terrible tragedy! I feel extremely weak and hopeless as well as indignant. Being a Christian, I will sincerely pray for my fellow countrymen who have died and are dying back at home.

ZHIQIANG WANG.
Cambridge, Massachusetts.

People in democratic nations in Europe, Asia, Africa and the Americas must call upon their governments to condemn Deng Xiaoping and Li Peng with more than words and useless resolutions. The government of Deng and Li must be isolated internationally by every means available until that government has been exchanged for something more humane that deserves to be treated as a functional member of the international community.

ROBERT C. RAKOSKI.
Nishinomiya-shi, Japan.

With Barry, Who Knows?

Regarding "The Challenge Is Knowing When It's Time to Laugh" (June 1):

Dave Barry's column about the humor-impaired seemed like a great idea. But I found it rather dull going. Total panic ensued. Was I myself humor-impaired? Just when I thought all was lost Mr. Barry came to my rescue when he spelled "your" as "you're" twice. Then he spelled "you're" as "your." I howled. P.S. At least I think he meant to misspell those words. DIDN'T HE?

HERBERT S. KEYSER.
San Antonio, Texas.

Thatcher's Alarming View

Regarding "Afraid to Preach Independence" (Opinion, May 4):

I would like to express my appreciation for Edward N. Luttwak's article, in which he states that Prime Minister Margaret Thatcher has "publicly expressed hope that Estonia, Latvia and Lithuania will remain quietly within the Soviet Union." In her "prudent preference for stability," the prime minister is willing to forsake beliefs in democracy and national rights.

As Britain has never recognized the incorporation of the Baltic states into the Soviet Union, the prime minister's expression of hope that these states be content to remain under Soviet domination is alarming and contradictory to precedents set by Britain's government.

VANDA M. DAUKSTS.
Münster, West Germany.

The System Is Stalled

Richard Harwood's article "Events, Not News Media, Shape Leaders' Agenda" *(Opinion, June 7)* is ridiculous. He misrepresents the causes and meaning of the gap between editorial comment and the political agenda. This misrepresentation is done purposefully in order to malign the press and thus indirectly vindicate the Bush administration.

Some journalists are still doing their jobs, but the system is stalled. The politicians are sold out to their financial backers. They see government service as a way of making money. As for the people, they respond only when they feel directly threatened. They ask for repression of crime and drug pushers. They do not want to understand that the driving force behind both problems is poverty.

ANDREW CORSINI.
Marseille.

Mack's 'Single Mistake'

Regarding "A Woman's Anguish: Man Who Tried to Kill Her Takes a Power Role in Congress" (May 6):

What kind of congressman would see to it that a cold-blooded killer would serve only 27 months in the county jail? Beneath the pretenses, Mr. Mack's "single mistake" was in not making sure that Pamela Small was dead — isn't that what he meant?

N. L. PARKER.
Arlington, Virginia.

Image and Achievement

Regarding "Ignore the Hard Questions With Feel-Good Therapy" (Meanwhile, May 31) by Charles Krauthammer:

The author's postulate that personal achievement creates self-esteem, although well-intentioned, is not sustainable. For example, workaholics are compelled to achieve virtually without respite precisely because they have scant appreciation of their own worth. Each dose of achievement is followed by a "post-partum" malaise alleviated only by a larger dose, the tell-tale signature of unsatisfied addiction.

Experience confirms that even societally applauded behavior does not engender self-respect. Lincoln, a rarely surpassed achiever, was chronically depressed, an indubitable symptom of low self-esteem. By contrast, Gandhi and his spiritual ancestors, who possessed an unrivaled sense of inner value, did not regard their efforts as personal achievements.

To be sure, achievement is not to be denigrated. However, it is no panacea for feelings of inadequacy. History teaches that self-esteem cannot be earned. Its lesson is that love of others, not egoistic accomplishment, equates with love of self.

HOWARD S. BOROS.
Washington.

As Mozart Proved, Being A Genius Is Not Enough

By Gian Carlo Menotti

CHARLESTON, South Carolina — Whenever I stage an operatic masterwork, I come out of the experience enriched by new knowledge. "Le Nozze di Figaro" seems to be the one that amazes me the most. It quickly revealed to me how inaccurate the common image of Mozart is, now made popular by the play and film "Amadeus."

Perhaps in reaction to the 19th century concept of Mozart as a sugary, slightly effeminate Meissen figurine, the 20th century reacted with an equally mistaken concept of a sophomoric Mozart: a sort of juvenile monster, a silly, frivolous, lascivious child who wrote his masterpieces hypnotically and almost effortlessly, simply because he was a genius. Is genius then defined by thinking as facile and simplistic as that which has been attributed to Mozart?

MEANWHILE

Alas, many artists these days think of themselves as geniuses, blessed with the golden touch. Whatever they touch becomes "art." Their only effort is to shock, to surprise and then to copyright their creation so that it may become quickly recognizable to the merchants and the buyers.

How very far we are from the genius of Mozart, who nearly buried his personality in conventional style, almost as if he sought anonymity so that his universal message could emerge in all its purity, uncontaminated by personal quirks. What makes his music recognizable from the thousands of works of the period is not only its miraculous appeal to the collective unconscious of what is most noble and sensitive in the human heart, but also the radiant intelligence that triggers this miracle.

No precocious child could ever master with equal force such a flood of inspiration. What moves one is not only the beauty of his melodic line but the intellectual skill with which he handles it, bends it to his will and the severity with which he imprisons it into the most restrictive classical tradition.

He does not ask for freedom as most artists do today. Instead, he uses such restrictions as a challenge, an intricate puzzle to be solved by careful thought.

A childish, rather silly youngster? Nonsense! He was no "Amadeus." He was a musical philosopher, a careful musical architect, a disciplinarian, a tireless worker and, above all, a profound thinker. How, then, do you explain the silly scatological letters to his cousin or some of his puerile jokes?

Many great artists often seem puerile because of the childlike or unconcerned attitude to the life that surrounds them. People must finally understand that art is no easy hobby only requiring genius but, rather, a whole way of living.

Art becomes a demanding and jealous mistress who, from her lover, requires undivided attention and blind dedication. The artist's work never ends, never leaves him. He never closes the office and forgets about his job until the next morning. He eats, sleeps, travels, makes love and all the while, in the back of his mind, the demon gnaws at his brain.

Everything in life becomes secondary; any artist's spouse knows well what I am talking about. The social life of an artist becomes marginal, even eccentric. Often, he is cruelly indifferent to the people surrounding him or else incredibly naive. He must be, first of all, an artist; time dedicated to his public life is time necessarily robbed from art.

Let the artist then be as good a parent, as devoted a husband or wife, as responsible a citizen as art permits. An artist's life may seem selfish and irresponsible, but do we really care whether or not Michelangelo or Leonardo fought in patriotic wars, were kind to the needy or thoughtful to their families?

It is fashionable now to discover or try to understand artists by delving into their private lives rather than into their works. The artist is certainly as prone to weaknesses in his social life as any other human being. Must we then forgive the artist for his failures as a man?

It all depends on how great the artist is. I gladly forgive Goethe, Tolstoy, Michelangelo and Goya all their human sins in exchange for the splendors with which they have enriched the world — and because of the torment their work must have cost them. Mozart above all must have been an obsessive worker. One can easily distinguish the superficial, insipid pieces he occasionally penned from the works that required all his intellectual power.

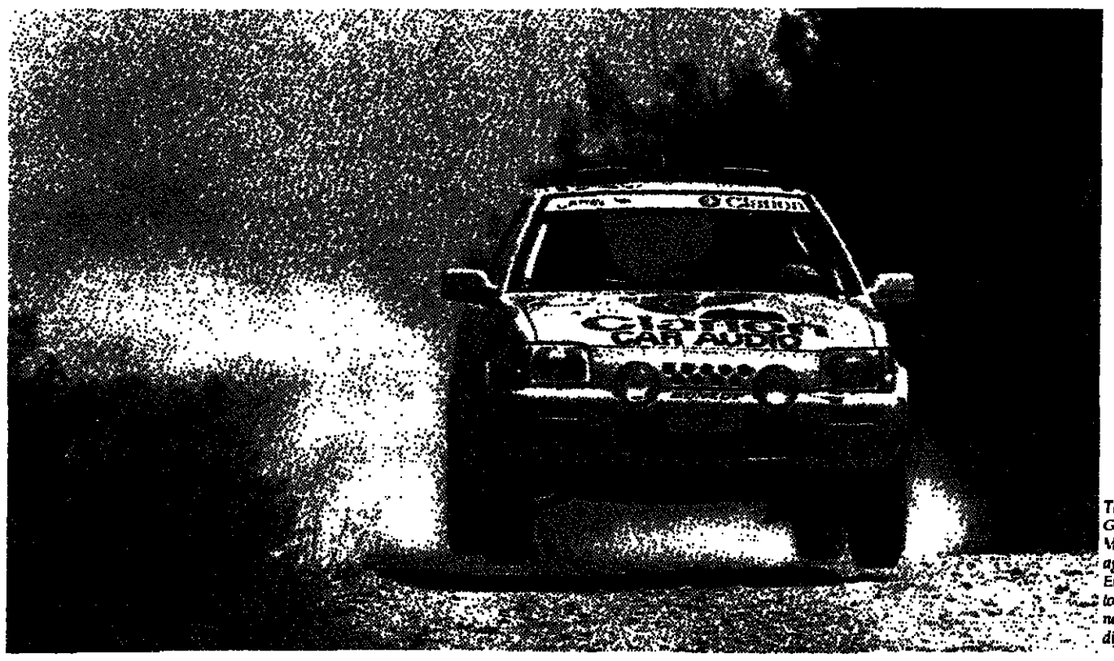
The tendency today is to try to show that artists are just as "bad" as you and I, the only difference being that God has given them a mysterious talent that, however, they hardly deserve. Those people do not realize that the Platonic vision of beauty that the artist is privileged to receive is nothing more than a glimpse that then becomes a tormenting memory he must try to recapture. This search for remembered perfection requires hard work, patience, intelligence and complete dedication. A work of art is never finished, but, to paraphrase Paul Valéry, only abandoned.

Mozart rarely abandons his search and more often than not, with blinding intelligence and wisdom, he recreates his remembered vision of beauty in all its perfection. Be it a lesson to the lazy artists of today, who peddle their onanistic games as works of art. No great composer will again appear among us until the young are taught that being a genius is not enough.

The writer, a composer, recently staged Mozart's "Le Nozze di Figaro" at the Spoleto Festival U.S.A. He contributed this comment to The New York Times.

NISSAN

To test the latest Nissan Micra, we took it for a six-day drive on bad roads, over steep hills, in overpowering heat...



The 36th Annual Acropolis Rally, held in Greece May 27 – June 1, pitted the Nissan Micra — in its Super Turbo debut — against some of the toughest competition in Europe. As usual, the Rally's infamous hills took their toll — there were many who did not finish. But for the Micra, it was a different story..

And took first in our class at the Acropolis Rally.

We knew it would be a rather extreme way to test the Micra. And we knew we'd be competing against the most experienced rally teams in Europe. But the specs on our new rally-tuned Micra Super Turbos all checked out, and we thought we'd give it a go.

The rest, as they say, is history. Because we finished the Acropolis Rally at the head of our class. Against race-tuned rally machines with nearly twice the engine displacement. Over one of the world's most notoriously demanding courses. In a Micra Super Turbo.

Nissan. The proof is in the performance.

Israelis Reject Cairo Offer to Mediate in Uprising

Compiled by Our Staff From Dispatches

JERUSALEM — Israeli leaders rejected an Egyptian offer Monday to mediate between Israel and the PLO to help end the 18-month-old uprising in the occupied lands.

Butros Butros Ghali, the Egyptian minister of state for foreign affairs, made the proposal at separate meetings with Prime Minister Yitzhak Shamir and 30 leading Palestinians from the West Bank and Gaza Strip.

Mr. Butros Ghali, who arrived Sunday, is the highest Egyptian official to visit Israel since the start of the Palestinian uprising. "I'm ready to be a good and active postman," he told the Palestinians at a meeting in Herzliya.

Mr. Shamir's spokesman, Avi Pazner, quoted the prime minister as responding: "Israel is not interested in negotiations with the PLO, but if Egypt is prepared to encourage local Palestinians to take part in the elections and the negotiating process, that would be extremely helpful."

After 90 minutes of talks with Mr. Butros Ghali in Jerusalem, Foreign Minister Moshe Arens responded that there was no need for a middleman, and no desire for talks with the PLO. Israel refuses to negotiate with the PLO on the ground it is a terrorist organization.

The PLO-backed Unified Leadership of the Uprising reaffirmed its rejection of Mr. Shamir's plan for election of Palestinians to negotiate interim self-rule.

Mr. Butros Ghali, whose country is the only Arab nation to sign a peace treaty with Israel, said Cairo saw both positive and negative points in the Israeli initiative.

"If we correct these negative points, we may see this plan as a start to a dialogue between the Palestinian people on the one side and the Israeli people on the other side, or between the PLO and the Israeli government," said Mr. Butros Ghali, who reiterated Cairo support for the Palestinian uprising.

Last week, Washington rejected PLO demands that it recognize Palestinian rights to self-determination and statehood in exchange for Palestinian participation in the Israeli-proposed elections.

Mr. Butros Ghali also suggested that the Egyptian Embassy play a mediating role if requested by Arabs in the occupied land, said Radwan Abu Ayash, head of the Association of Arab Journalists.

Several prominent Palestinians did not attend the meeting with Mr. Butros Ghali. Some said they had received threats from a radical PLO faction, while others boycotted it because it was held in Israel instead of in Arab East Jerusalem.

In another development on Monday, the Tel Aviv newspaper Haaretz reported that the army would extend the maximum period under which Arabs can be jailed without trial from six months to a year. About 5,000 Palestinians have been put under detention since the uprising began. At present, 1,508 are being held in detention centers.

The so-called administrative detention practice has been criticized by the United States as a violation of right to due process.

In Cairo, the head of the PLO, Yasser Arafat, met with President Hosni Mubarak on Monday for talks believed to deal with Palestinian conditions for elections. The PLO has said elections could take place only after Israeli withdrawal from the occupied lands.

(Reuters, AP)

Max Nash/The Associated Press

Policemen drag away an Israeli who took part Monday in a demonstration by Palestinian women outside a prison. The protesters criticized conditions under which Palestinian women are detained.

Anti-Apartheid Alliance Seeks New Political Clout

By Christopher S. Wren
New York Times Service

JOHANNESBURG — A new political party unable to choose a single leader would hardly seem ready to sell itself to the voters, but the Democratic Party is running against the grain of conventional wisdom in white South African politics.

It is plunging into the parliamentary elections scheduled for Sept. 6 under the leadership of three quite different politicians and is fielding as many candidates as possible, even in races in which it has little hope of winning. By so doing, it hopes not just to erode support for the National Party, which has governed South Africa for 41 years, but also to replace the rightist Conservative Party as the official opposition in the white House of Assembly.

The Democratic Party was launched on April 8 in a merger of three rival liberal groupings in Parliament: the Progressive Federal Party and the smaller National Democratic Movement and Independent Movement. The three parties, which together held only 21 of 178 seats in the House of Assembly, agreed to bury their differences and create a more muscular alternative.

The party's message is that apartheid and white-minority rule will surely end and that only the Democratic Party is hardheaded enough to think clearly about what will follow. The Democrats also accuse the National Party of mishandling the South African economy.

"It's not a soft liberal image," said Wynand Malan, one of the three party leaders. "It's a strong, tougher democratic image. It's self-confidence, which was never radiated by the PFP."

Since its founding, the Democratic Party has suffered from factional bickering, from the departure — some would say defection — of a leading liberal Afrikaner and from controversy over its initial refusal to accept four members of Parliament, three of whom are nonwhite.

Still, its rallies have attracted unusually large crowds of interested whites. It was not surprising that 2,500 people showed up at a meeting in liberal Cape Town. But the Democratic Party attracted hundreds of Afrikaners to rallies in Pretoria and Bloemfontein, two National Party strongholds. And a poll published last month by Rapport, a leading Afrikaans-language newspaper, reported that 24 percent of surveyed white voters backed the Democratic Party, which was slightly more than those supporting the Conservatives.

The party's three leaders represent different strands of white liberal sentiment. Zach de Beer, who headed the Progressive Federal Party, is also a former director of the Anglo American Corp., a large mining company. Denis Worrall resigned as South Africa's ambassador to Britain to entice other disgruntled Nationalists into what became the Independent Movement. Wynand Malan, leader of the National Democratic Movement, has attempted to build links with black leaders of the struggle against apartheid.

Some stalwarts of the old Progressive Federal Party like Helen Suzman have been unenthusiastic about its absorption into the new Democratic Party. "I don't have the same emotional and sentimental attachment to the new one as to the old party I helped form," Mrs. Suzman said, though she said she was leaving politics after 36 years for personal reasons.

An ingredient of Democratic Party strategy has been to win over Afrikaans-speaking whites who are disgruntled with the National Party but suspicious of the old Progressive Federal Party because of its roots among English-speaking South Africans and its links to big business. Willem de Klerk, a professor and political commentator who helped found the Democratic Party, estimated that more than 20 percent of Afrikaner voters could be recruited; he subsequently scaled back his estimate to 8 percent.

But last month, Mr. de Klerk cut his ties with the Democratic Party and asked white voters to give his brother, Frederik W. de Klerk, the new National Party leader, a chance to change South Africa. "Yes, I think it has done damage," said Mr. Worrall, who was among those counting on Willem de Klerk to help deliver the Afrikaner vote.

Mr. Worrall, who is emerging as the most popular choice for party leader after the election, said that it was doubtful the Democratic Party could win but that he hoped it could win enough seats to deny any party a majority, or at least to supplant the Conservatives as the official opposition.

National Party politicians dismiss such possibilities. "The Democratic Party is just not a threat," said Con Botha, the ranking National Party spokesman in Parliament. "We've demolished the PFP, and the new crowd is just a pale reflection of the PFP."

UN Begins Flying Namibians Back Home

Compiled by Our Staff From Dispatches

WINDHOEK, Namibia — In the first flight of an airlift organized by the United Nations to repatriate 41,000 Namibians over the next six weeks, a Zambia Airlines DC-10 carrying 150 returnees from Lusaka touched down here Monday.

Men, women and children danced across the tarmac to celebrate a homecoming after years in political exile. Mothers in a welcoming crowd, some of whom had traveled for days, waited anxiously for glimpses of sons and daughters.

The airlift is part of a UN independence plan for the territory of Namibia, formally known as South-West Africa, which has been ruled by South Africa since World War I.

About 200 people, mostly supporters of the South-West Africa People's Organization, which fought a 23-year guerrilla war against South African control of Namibia, sang and chanted as the returnees climbed aboard buses after registering with the office of the UN High Commissioner for Refugees.

The South African president, P.W. Botha, agreed last week to grant full amnesty to the returning exiles, removing a major hurdle in the transition to independence.

UN officials say the airlift will cost $39 million to bring the refugees back for the campaign preceding elections scheduled for November under a UN-sponsored peace treaty that grants Namibia independence.

Over the years, many Namibians fled to Angola and Zambia to escape the bush war for control of their homeland. Under a regional treaty signed in December, South Africa ended its rule in return for Cuba's withdrawing an estimated 50,000 troops from Angola.

In addition to the airlift, hundreds of refugees are coming back from Angola on foot, Namibian officials say. Most returnees are supporters or members of SWAPO, which is favored to win the elections.

UN officials say they are optimistic that the airlifts will go smoothly, bringing a troubled independence process back on course.

Fighting between South African-led security forces and SWAPO rebels derailed the process only hours after it started on April 1. The plan was saved from collapse after diplomatic negotiation among South Africa, Angola and Cuba.

SWAPO guerrillas have now been confined to bases deep inside Angola, and Pretoria is pulling its military forces back to South Africa.

A further problem for UN peacekeepers was an influx of Angolans into northern Namibia over the weekend. The refugees were said to be fleeing a flareup in the bush war between rightist guerrillas of the National Union for the Total Independence of Angola and the Luanda government.

But Namibian government officials played down the Angolan factor, saying that the refugees had been given temporary sanctuary by northern provincial authorities.

(Reuters, AP)

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Rafsanjani Is Re-elected in Majlis

Compiled by Our Staff From Dispatches

TEHRAN — One of the most powerful clerics in Iran, Hashemi Rafsanjani, was re-elected as speaker of the 270-member Majlis, or parliament, Monday with a vote that indicated support from moderate and hard-line groups.

In a secret ballot, Mr. Rafsanjani received the votes of 230 of the 241 deputies present, official sources said. One deputy voted against him; 10 abstained.

Elections for speaker and other offices of the Majlis are held annually.

Mr. Rafsanjani, 55, is considered a moderate. He is the only candidate for the presidential election scheduled for Aug. 18, and the vote Monday indicated that he had broad support from the ruling clergy.

Deputy Speaker Mehdi Karubi, a hard-liner, was re-elected, with 211 votes. Hussein Hashemian, a relatively obscure deputy, was elected second deputy speaker, with 128 votes.

Mr. Rafsanjani, who has served as speaker for five years, also is acting commander in chief of the armed forces.

That position was reconfirmed last week by President Ali Khamenei, who was selected to succeed Ayatollah Ruhollah Khomeini as the national leader by the Assembly of Experts.

The ayatollah died June 3 of a heart attack suffered 11 days after he underwent surgery to stop intestinal bleeding.

Constitutional changes to increase the president's power at the expense of the prime minister's are to be submitted to a referendum on the day of the presidential election.

The changes are intended to end disputes between competing power centers and to speed up decision-making.

Mr. Rafsanjani's moderate faction favors restoring ties with the West and boosting private enterprise in order to rebuild the country's economy after the eight-year war with Iraq.

The moderates are locked in dispute with hard-liners, among them Prime Minister Mir Hussein Moussavi, who want to maintain Iran's self-imposed isolation and who advocate self-reliance.

In recent months, the ayatollah had reinforced the hard-liners' position through calls for a revival of revolutionary fervor and his death decree against the British author Salman Rushdie.

(UPI, AP)

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(Continued From Back Page)

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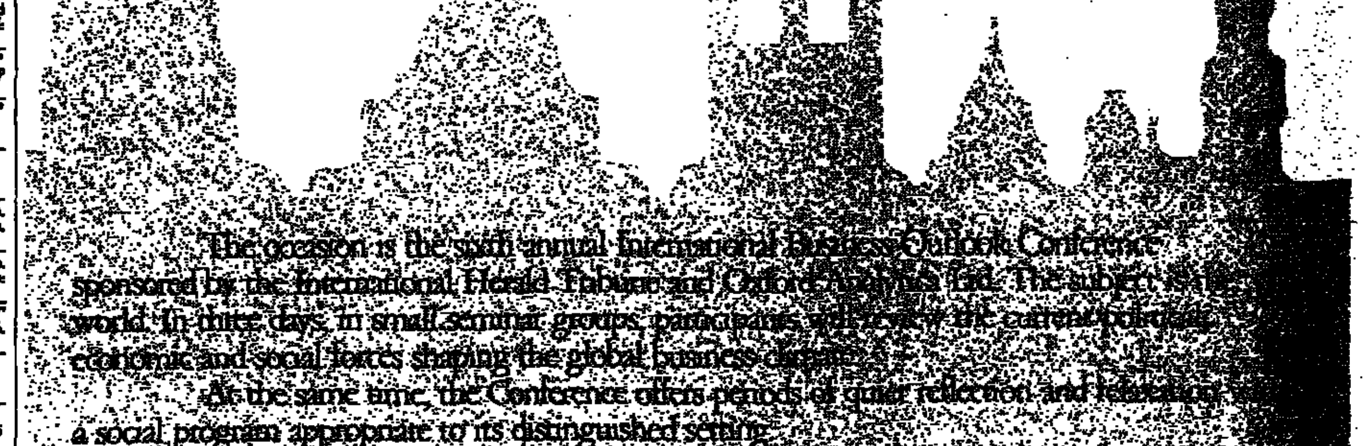

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Bullit Marquez/The Associated Press

TRIPLE TAKE — Reacting in unison during a flag-raising ceremony Monday in Manila that marked the 91st anniversary of national independence were, from left, General Renato de Villa, the armed forces chief of staff; Luis Santos, a city official, and President Corazon C. Aquino.

Britain Demands Release of Student in Shanghai

Compiled by Our Staff From Dispatches

LONDON — Britain told China on Monday that it should immediately release a Hong Kong student arrested in Shanghai and warned that any mistreatment of Hong Kong Chinese would have damaging repercussions.

A spokesman for the Foreign Office said that a deputy undersecretary, David Gillmore, told the Chinese chargé d'affaires, Song Mingjiang, that Britain was gravely concerned over the detention of Yao Yongzhan. Mr. Yao was detained at Shanghai airport as he tried to leave on Sunday.

The spokesman said Britain had requested that Mr. Yao be immediately returned to Hong Kong.

He added, "Any maltreatment by the Chinese authorities of the Hong Kong Chinese would have the most damaging impact on confidence in Hong Kong."

The detention of Mr. Yao has heightened fears in Hong Kong over the future of the British colony, which is to revert to Chinese control in 1997.

Foreign Office officials have raised the case with the authorities in Beijing, Shanghai and Hong Kong. But a spokesman said that London had not yet received a "satisfactory response."

Hundreds of students who led the recent pro-democracy protests in China, which ended in the killing of hundreds, possibly thousands, of civilians by Chinese Army troops in central Beijing on June 4, are being arrested by the authorities.

Mr. Yao, a student at Fudan University in Shanghai, was detained for carrying "banned material" and for failing to register with the Public Security Bureau, state-run television there said Sunday. He is a leader of the Autonomous Union of Shanghai Universities and Colleges, which city authorities have asked be disbanded.

Meanwhile, foreign ministers of the European Community meeting in Luxembourg decided Monday that Chinese students in the 12 EC countries will be allowed to have their visas extended.

Foreign Minister Francisco Fernández Ordóñez of Spain said that the ministers had agreed to respond favorably to requests for extensions for students who fear violence in their homeland.

In another development, a BBC correspondent, Brian Barron, reported from Beijing that he and his film crew had been detained for three hours by troops and had been barred from leaving the country.

He said that the crew, who had been filming clandestinely from their car because of martial law restrictions, were taken to a martial law center where their videotapes were confiscated and their passports briefly taken away.

"They suggested that a number of us should write self-criticisms of our mistakes, which I did most eagerly," Mr. Barron said.

"Then they gave us an extremely severe talking-to on what would happen next time and how unpleasant the results would be."

In Hong Kong, a British television journalist expelled from China over the weekend said that authorities who seized him while he was covering a demonstration in Shanghai confiscated his film and would not allow him to contact the British Consulate.

Peter Newport of Independent Television News was the first journalist to be expelled from China since the beginning of pro-democracy demonstrations.

On Sunday, a U.S. television network, ABC, said that the Chinese authorities had confiscated footage of an ABC interview with a man in Beijing, broadcast the tape on national television and then used it to arrest him for "rumor mongering."

On Saturday, Chinese television broadcast the footage of the man saying that 20,000 people had been killed in the crackdown. His arrest was announced Sunday.

(Reuters, AP)

CHINA: *Crackdown Widens as Student and Worker Groups Are Banned*

(Continued from page 1)

nese officials cannot force their way into the embassy compound and arrest the couple. Mr. Fang and his wife would be at risk if they left the compound.

There is a growing apprehension in Beijing that a negotiated outcome will be difficult to achieve.

The government said that it would distribute "wanted" posters of the couple to be posted in train stations, airports and ports. The poster, which features a distinctly unflattering photograph of Mr. Fang, was shown on television.

"Fang Lizhi and Li Shucian together engaged in counterrevolutionary propaganda and instigation," the television announcer said. "They are guilty, and they escaped from justice. All points of exit from China should be on their guard for them."

The television news showed several people attacking Mr. Fang as a traitor and criticizing the United States for giving him refuge. The government has appeared to be highly indignant at the decision to give Mr. Fang diplomatic refuge.

"Fang's action proves that he was guilty," an unidentified woman said on a broadcast.

The new regulations banning pro-democracy groups seemed aimed at ensuring that the newly established calm in China will not be disrupted by more demonstrations.

"All organizations engaged in counterrevolution and social turmoil are abolished," the regulation states. "Independent student and worker associations must immediately cease their activities and leaders must turn themselves in."

The rules also prohibited the offering of assistance to the leaders of these unofficial groups and called on anyone with weapons or counterrevolutionary leaflets to turn them in or face strict punishment.

Anyone who clogs traffic or attacks offices of the Communist Party or the official media organizations will be arrested, the Ministry of Public Security said, and troops can use force to disperse people "gathering together to cause chaos."

The police are authorized to use their weapons against rioters and those who resist arrest and to protect themselves. The ministry also urged: "Every citizen should search for criminals and report them."

On the surface, Beijing seems to be returning to normal. The government said that roads around Tiananmen Square would be opened Tuesday to bicycles and motor vehicles, but not to pedestrians.

The television showed a series of senior officials making public appearances to praise the military crackdown and visit wounded soldiers. Among those shown was Qiao Shi, a member of the standing committee of the Politburo who is mentioned as candidate to be the next leader of the Communist Party.

The most surprising appearance was by Tian Jiyun, a Politburo member who is closely associated with the general secretary of the party, Zhao Ziyang. Mr. Zhao has been stripped of his powers and perhaps of his formal position since he allegedly lent support to the pro-democracy movement.

A picture of Mr. Tian had previously been published in a newspaper, indicating that his career perhaps could be saved. But his appearance Monday was the clearest sign to date that members of Mr. Zhao's faction may not automatically lose their posts.

■ 'Terror Campaign'

An extraordinary official statement released on Monday night by the Australian Embassy in Beijing spoke of "a terror campaign," by Chinese authorities, Reuters reported.

A first secretary of the embassy, Gregson Edwards, said: "It is clear the government is attempting to introduce a phase of cold terror aimed at cowing the population. The embassy is talking about what it has seen."

Mr. Edwards said that Australian diplomats had seen arrests being made at gunpoint, the police beating people in the street, and extensive searches of houses and apartments.

He also said that journalists and film crews working in China should be cautious.

"The embassy believes journalists and crews who come under notice in the field are in very, very real danger," he said.

End Army Trials, Menem Aide Says

New York Times Service

BUENOS AIRES — The future defense minister has called for an end to trials of Argentine military officers for human rights violations committed during the "dirty war" against leftist guerrillas.

"I understand that the armed forces feel attacked as an institution and that the legal framework has been poorly handled for judging events of the anti-subversive war," Italo Luder, the defense minister-designate of the incoming Peronist government of President-elect Carlos Saúl Menem, said in an interview published Sunday. "It is not possible to keep this situation open for six years," said Mr. Luder, a lawyer.

Conducted from 1976 to 1983, the military's war against guerrillas cost the lives of about 9,000 Argentines. In recent years, trials of major military human rights violators sparked three military uprisings.

EBONY: *A Phantom Story Pillories the Nigerian Leader and His Wife*

(Continued from page 1)

rumors couldn't have been worse for the president."

By most accounts, accusations against the general were a strong factor in recent violent demonstrations here and in several cities against the government's austerity program.

The demonstrators, some of whom carried placards with pictures of General Babangida and other military leaders, set buildings and automobiles ablaze to protest the leader's measures, which they blame for their hardships.

Scores of civilians and police officers were killed; the government has yet to make public figures on the total number of casualties.

"In a country where hunger and misery have become the lot of the majority of people, such a story is bound to stir emotions, riots and push people into the streets in protest," The African Concord, a Nigerian weekly, said.

New Nigerian, the state-run newspaper, said more bluntly in a front-page editorial that "the seditious rumor" about General Babangida and his wife was "the worst form of treasonable disinformation."

What has especially roiled Babangida supporters about the accusation is that until now his integrity has rarely been questioned. On a continent where self-promotion is among the most developed of 20th-century skills, the general's public image has been that of a soft-spoken, self-effacing administrator, a diligent military bureaucrat rather than a hero of the nation.

By contrast, said his spokesman, a generation of Nigerian politicians seems to have grown up in the aggressive pursuit of power and money.

"Public office in Nigeria has become synonymous with corruption," under civilian rule, Mr. Mamman said. "And anyone, including President Babangida, who holds public office is seen in that light," he continued.

He said he believed that the rumors were started by politicians who thrived under the corrupt civilian government or who have since been barred from public office by the military.

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Clockwise from left: Lacroix hat, spotted suit for Comtesse von Polier; dish-cover with fruit; Lacroix suit, Galeries Lafayette hat; Philippe Model with Comtesse de Laporte in his bird hat; black and white for Brigitte de Roquemaurel; Marie Mercié hat, Mugler suit; flowered straw; Hermès tribe with mother Pascale Mussard.

Jean-Louis Bloch

Delicious Hats for the Cream of Chantilly

International Herald Tribune

PARIS — The cream of French society poured into Chantilly for the races. With delicious confections on their heads and elegant *picnics at their feet*, the racegoers made Sunday's Prix de Diane-Hermès a fashion event of the season.

England's Royal Ascot may have more crowned heads; Hong Kong's Happy Valley takes in more money; the Kentucky Derby reeks of old money. But there is nothing to compare with the chic of Chantilly — nor its unique atmosphere of a *family outing. This season, chef* Gaston Le Nôtre showed off his grandchildren, and junior members of the Hermès clan paraded thoroughbred blazers and riding pants.

Then there were those high, high society hats: Sophie de Laporte with a pink and blue feathered bird *soaring above her azure blue* Chanel jacket; the Comtesse Alexandra

SUZY MENKES

von Polier peeping out from under a deep-crowned Christian Lacroix mushroom of a hat above a Spanish ensemble of black and white — a favorite among the racing colors.

There were hats wild — sprouting variegated cabbage leaves; hats witty — miniature planes on a flying saucer of straw; hats whimsical — a mesh dish-cover decorated with dangling cherries. Mostly the hats were elegant, racy and with just a touch of French frivolity. The younger the wearer — and this was a lively young occasion — the bigger *the hat. Pascale Mussard, sixth*-generation Hermès via her mother, paraded her three small boys in a Hermès quilted halo above a swingy pink linen trapeze. A satellite dish of straw interwoven with scarves was the creation of Marie Mercié, an avant-garde milliner whose hats competed for attention with those of the Paris hatter Jacques Le Corre. His witch's hat of straw topping a psychedelic patterned Moschino coat made an arresting outfit.

But the hero of the hour was the milliner Philippe Model, who had made more than 300 hats for Chantilly and strutted beside his clients, *a peacock among birds of paradise.*

"First of all, a hat has to make a woman look beautiful," said Model, *whose own cream panama was* decorated with turn-of-the-century pastel pipe cleaners. "After that it can be witty or wildly decorated."

Model's creations included multicolored pancake tiers in straw (chosen by seven women), sculpted cones, sancers and pagodas, a fondant pink meringue nest of a hat swathed in chiffon, and the transluscent butterflies nestling on pale staw for Rena Dumas-Hermès — wife of the firm's chairman and architect of its boutiques.

"First of all, this is a premier event on the racing calendar," said Dumas-Hermès. "But it is also a *concours d'élégance*, and we notice each season how much women enjoy dressing up."

This seemed especially true of the young, *who had put outfits* together with dash and made or trimmed their own headgear.

An elegant couture client would wear hats by Jean Barthet; a crisp biscuit beige Nina Ricci straw with silk dress; or Balenciaga's stylish spotted pyjamas worn with a deep-crowned hat. Marie Seznec, house model at Christian Lacroix, came *in the master's Louis XVI embroi*dered flowers sprouting under a straw toadstool.

There was no fashion uniform, but the silhouette had generally softened up, with skirts short and sweet below soft-shouldered jackets, fichu necklines or bustier tops. The occasional flutter came from those who had hedged their bets on longer skirts by choosing light-as-a-breeze chiffon under a thigh-length tunic top, mostly designed by Chanel.

The Prix de Diane was originally run in 1843 — at about the same time that Hermès buckled its first leather saddle. A fanfare from the *Garde Républicaine*, a children's nursery, a gastronomic picnic contest and live transmission from the final of the French tennis tournament made up this eighth Prix de Diane-Hermès.

Aside from the seven races, the focus was a benefit lunch for 1,000 held in the specially constructed tent village, for the Perce-Neige Association in aid of mentally handicapped children.

The peculiarly French combination of food and fashion was unveiled before lunch, as the chic crowd circled the mouthwatering displays of picnics, all laid out on vintage cars and carriages. Among the many society guests at the luncheon and at the cocktail given later in the stables of the Château de Chantilly, was the Begum Aga Khan (in black and cream), the Duke and Duchess of Noailles, British ambassador Sir Ewen and Lady Fergusson (in a lilac sprigged suit by Hardy Amies), their house guests Lord and Lady March and the young Earl and Countess Alexander of Tunis.

Soviet Pianist, 19, Wins Cliburn Contest

By Bernard Holland
New York Times Service

FORT WORTH, Texas — Alexei Sultanov, a 19-year-old Soviet pianist who seemed to have bowled over both jurors and audiences with the sheer power of his *playing, won first prize in the Van* Cliburn International Piano Competition Sunday.

The award by the 14-member jury, estimated by Cliburn officials to be worth $200,000, includes a cash grant of $15,000, a Carnegie Hall recital and two years of concert touring managed by the competition. Second prize went to José Cocarelli, 30, of Brazil, who receives $10,000 and extensive concert opportunities, including a New York City recital. Benedetto Lupo, a 25-year-old Italian was third, winning $7,500 in cash and similar concert bookings. All three pianists will have the chance to record.

Sultanov's victory might be described as a triumph of brawn over sophistication. He has played the standard repertory over the last few weeks of competing with great power, unimpeachable technique *and a minimum of subtlety. With* this victory, he is suddenly thrust into a busy concert career, and it remains to be seen, given his extreme youth, whether Sultanov's new life will permit his musical understanding to stretch or else impede its growth. The talent is certainly there.

Cocarelli's good showing seems to demonstrate the conventional competition wisdom that that well-groomed competence has a way of steering its way through the possible strong likes and dislikes of jurors. Lupo's elegant technique had a similar steadiness. Perhaps the *two most interesting musical* personalities — Alexander Shtarkman, 22, of the Soviet Union, and Ying Tian, 20, a Chinese living in Boston — finished fourth and fifth, respectively. Sixth went to another Soviet pianist, Eliso Bolkvadze, 22.

The winners — announced from the stage of the Tarrant County Convention Center Theater — were chosen from six finalists. Since the last rounds of this competition began on Thursday, the six *have performed two concertos each* with the Fort Worth Symphony under Stanislaw Skrowaczewski, Dudley Moore, the actor and pianist, served as master of ceremonies. At the end the six finalists played departing "encores."

The finals gave all six contestants a chance to perform on a grander scale than during the earlier rounds. This was not always to their benefit or to the competition's. Most troublesome was the poor quality of playing by the Fort Worth Symphony.

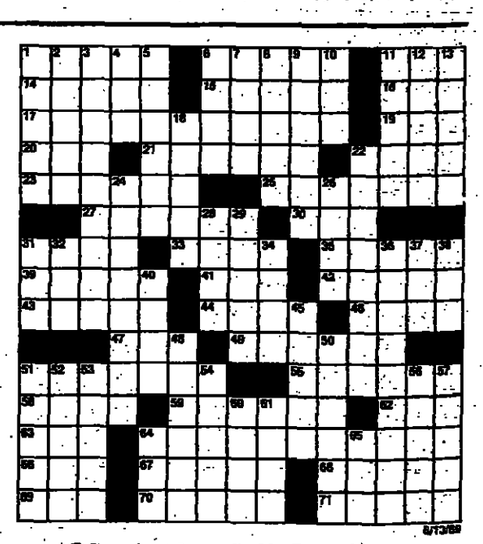
The Chopin F-minor Concerto (heard four times in the three days) and the Rachmaninoff C-minor (heard twice) are not gracefully written for orchestra; still, the inability of the Fort Worth's winds on Thursday and Friday to achieve even a semblance of agreement on tuning and balance — and the lack of confidence in their solo playing — *was unacceptable.*

The orchestra's execution tightened considerably on Saturday night. In the Rachmaninoff C-minor Concerto with Lupo, the horn solos went well and blendings were smoother and better tuned; but Lupo's *attempts at interesting tempo* fluctuations in the first movement here were largely ignored.

Lack of rehearsal *time or the* presence of a guest conductor (the experienced and highly professional Skrowaczewski) cannot fully explain away these performances, and it has to be asked whether the Cliburn can really be the event it largely deserves to be with the kind of orchestra playing heard during the first two evenings of the finals.

ACROSS

1 Tree of the birch family
6 Functioning
11 Skillful
14 A Superman portrayer
15 —— verso (back of a page)
16 Fido's angry greeting
17 Mantra, e.g.
19 Estuary
20 Former Spanish queen
21 Of pedal bones
22 Carrier of tons
23 Grammarian's concern
25 Scout's container
27 Steel sword blade
30 Galilee or Andaman
31 Looker
33 Declined
35 Carrying a weapon
39 Short waves
41 Bog
42 Lock
43 Charm or beauty
44 De —— (too many)
46 Division word
47 Our, to René
49 Maroon
51 Choral composition
55 Frame
58 Ah me!
59 Member of an unruly crowd
62 Lover's or bird's sound
63 One of Wynken's pals.
64 Eucharist partaker
65 Useful article
67 Utopian
68 Redpoll or siskin
69 Dinghy implement
70 Farm-machine pioneer
71 Lugs



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Solution to Previous Puzzle

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DOWN

1 The Ram
2 Comedian Bruce: 1926-66
3 Chianti cruses
4 Braun or Perón
5 Real-estate offering
6 Out yonder
7 Oodles
8 Kind of artery or vein
9 Pansies
10 Very long time
11 Concur
12 Cream of the crop
13 Retinue
18 Revenue enhancements
22 In a top role
24 Hectors
26 Uncluttered
28 Balmy
29 Humdingers
31 Ecology gp.
32 Affirmation
34 Granny or sheepshank
36 Beggar
37 N.Y. winter time
38 Brit. military award
40 Porch for Zeno
45 Prink
48 Took long steps
50 Floating without control
51 Part of "The Divine Comedy"
52 Hello, in Hilo
53 Author of "Unsafe at Any Speed"
54 Evangelist McPherson
56 For the —— (now)
57 Early Teutons
60 Persian poet
61 Bulrush
64 El ——, Spanish hero
65 U.S. union, founded 1935.

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Switzerland	S.Fr.	046 05 68 00	455	455	255
Rest Europe, N. Afr., X-French Africa, Mid. East	$	— —	470	Varies by country	260
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Part II International Herald Tribune A Special Report Tuesday, June 13, 1989

Aviation: Planning for the '90s

U.S. Manufacturers Weigh Potential Effects of East-West Arms Pact

By R. Jeffrey Smith

WASHINGTON — U.S. aerospace manufacturers are warily eyeing prospects for a new East-West arms deal that will require modest reductions of tactical military aircraft, even as they search for new government contracts at the Paris Air Show this week.

Defense officials of the North Atlantic Treaty Organization on Friday began reviewing President George Bush's May 29 proposal to trim Western combat aircraft by 15 percent, or roughly 800 planes out of the 5,400 now deployed in Western Europe, and put a permanent cap on new deployments.

The proposal would require compensating cuts of 9,350 Warsaw Pact aircraft, out of 13,000 deployed in Eastern Europe and the Soviet Union, according to figures released by the U.S. Defense Department.

Additional cuts would be made in combat helicopters under the Bush proposal, to be fully implemented by 1993.

NATO's unanimous position until now has been that combat aircraft should be excluded from the negotiations because they could be quickly reintroduced into Europe after being withdrawn under the terms of a likely East-West accord. But Mr. Bush proposed that the planes be destroyed, not just withdrawn, raising the possibility of a shrinking market for manufacturers.

Several key legislators at a June 1 hearing of the Senate Armed Services Committee said that costly new Western military aircraft will seem less attractive as proportionally larger cuts are taken in the forces of the East and hundreds of planes are being destroyed.

"A legitimate question that can be put forward is, 'Should we be building new weapons at the same time we're destroying other weapons?' " said Senator John Warner of Virginia, the committee's senior Republican and a former secretary of the navy. "That becomes a little complicated in the minds of the American public."

Mr. Warner and several others warned the Defense Department witnesses that they would have to lobby hard, not only on Capitol Hill but also throughout the country, to maintain support for defense expenditures in an atmosphere of arms reductions.

Air Force Secretary Donald Rice appeared to open the campaign in a recent conversation with reporters, arguing that "tactical airpower will play a major role and inevitably a stronger role" in Europe as U.S. and allied troops are withdrawn under a new arms accord.

Mr. Rice said the flexibility and mobility of tactical aircraft make them a vital weapon against surprise advances by enemy forces through a thin ground defense.

But budget increases for tactical military aircraft have already been slowed or stopped, not only in Washington, but also in several European capitals, causing some manufacturers to emphasize the need for improvements to existing planes such as the F-16 deployed in several European countries.

"I don't think we're going to need to withdraw F-15s or F-16s" under a new accord, said Air Force General Robert T. Herres, vice chairman of the Joint Chiefs of Staff, adding that older and less sophisticated planes would be more likely to be affected.

The impact of an arms control deal will be hard to gauge, said Al Spivak, a spokesman for General Dynamics, a key F-16 contractor, "until we have more details and insight."

"It's far too soon to make predictions or speculate," he said.

Spokesmen for Boeing, Northrop and McDonnell Douglas said the immediate impact would probably be slight, because U.S. firms have not recently played a major role in supplying tactical military aircraft to European clients. But they are presently competing for contracts on a new Advanced Tactical Fighter, which could eventually be sold overseas.

The $63 billion ATF program is set to begin full-scale development in 1991 but has already been slowed by budget constraints.

Several experts said U.S. manufacturers might be less worried than their European counterparts because neither Mr. Bush nor the Warsaw Pact have proposed to constrain aircraft deployment outside the Atlantic-to-the-Urals region covered by an accord.

As a result, U.S. sales will be constrained only by declining defense expenditures, while British and French firms, for example, will be forced to operate within an agreed limit. They will be free to build new airplanes to replace old ones, General Herres said, but the replacements must be one for one.

General Herres said, in context of East-West parity in conventional forces, that he doubted that American allies "would feel burdened by having to limit themselves to one-to-one replacement." He also said that they would more likely have to be pressured even to maintain such constant replenishment.

General Herres also noted that the Warsaw Pact "has a very funny definition of aircraft that is flatly unacceptable" to the United States, requiring substantial negotiation before an agreement can be concluded.

R. JEFFREY SMITH covers national security affairs for The Washington Post.

John Copes-van Hasselt

The Super Puma MK II, one of Aérospatiale's military helicopters.

In Asia, Air Forces Turn to Retrofitting

Refurbishment Sharply Cuts Costs In Time of Shrinking Defense Budgets

By Michael Richardson

SINGAPORE — As defense budgets around the world get tighter and the cost of modern military equipment, especially combat aircraft, increases, a growing number of air forces in Asia and the Pacific have decided to extend the operating lives of planes they already fly.

Many countries in the region are still using aircraft that were designed or built in the 1950s and 1960s. Among them are the McDonnell Douglas A-4 Skyhawk and F-4 Phantom; the Northrop F-5 and the Soviet Mikoyan MiG-21 or, in China, locally developed variants of this Soviet model.

All these planes are sturdy and capable of years of additional operation. Their combat performance, however, is constrained by underpowered engines and outmoded navigation and attack systems.

Announced or planned programs in the region to modify airframes, replace old engines with newer, more powerful and fuel-efficient jet propulsion units, and update avionic systems involve several hundred planes and contracts worth hundreds of millions of U.S. dollars for Western suppliers.

The rationale for undertaking these programs is simple. Air forces of Asian and Pacific nations want to save money, enhance the operational performance of their squadrons and acquire aerospace technology and skills from the refurbishment work.

The air forces of China, New Zealand, Singapore, Thailand, India, Japan and Taiwan have already embarked on major life-extension programs for interceptors, strike aircraft and maritime patrol planes.

> Training and maintenance time have been reduced.

Ninety-six multi-role Phantoms of Japan's Air Self Defense Force are undergoing an avionics and airframe upgrade. The 32 Grumman S-2 Tracker maritime patrol and anti-submarine warfare aircraft in Taiwan's air force are receiving similar modernization. The Indian Air Force is updating the avionics of its 120 Jaguar bombers.

Kim C. Beazley, the Australian defense minister, recently announced that about $150 million would be spent to improve the avionics of the country's 22 General Dynamics F-111C strike air-

Continued on page 11

U.S. Risks Losing Technological Edge

Aerospace Industry Faces Stiff Race Against Soviet, European Competitors

By Graham Warwick

LONDON — Last month, the U.S. Congress approved a deal that will, it hopes, prevent Japan from transferring 20-year-old F-16 fighter technology to the civil sector and, in so doing, protect U.S. aerospace giants such as Boeing from Japanese competition for airliner sales.

Later this year, Congress will decide whether to back U.S. Defense Secretary Dick Cheney's decisions to cancel the Bell-Boeing V-22 Osprey tilt-rotor transport aircraft, a move that could cost the United States its lead in a technology that could revolutionize air transport over the next 20 years.

> Tight U.S. controls on transferring technology are blamed.

The U.S. presence at this year's Paris Air Show is being overshadowed by that of the Soviet Union, which has brought along two new airliners in addition to its latest fighter, attack and transport aircraft.

Technologically, the two Soviet airliners are at least a match for anything produced by Boeing, and they are on display in Paris because the Soviet Union wants to sell them. The same holds true for the military hardware on show — it is there because it is for sale.

The Soviets seem unconcerned about the problems of technology transfer, the hottest issue in U.S. aerospace. Many observers feel that tight U.S. government controls on the transfer of technology, rather than protecting the U.S. industry's technological edge, have cost industry its competitive edge.

Worldwide, the U.S. aerospace industry faces stiff competition from its European counterparts. Now the Soviets are poised to enter the marketplace, and without the export restrictions that so often hamper U.S. companies or exclude them altogether.

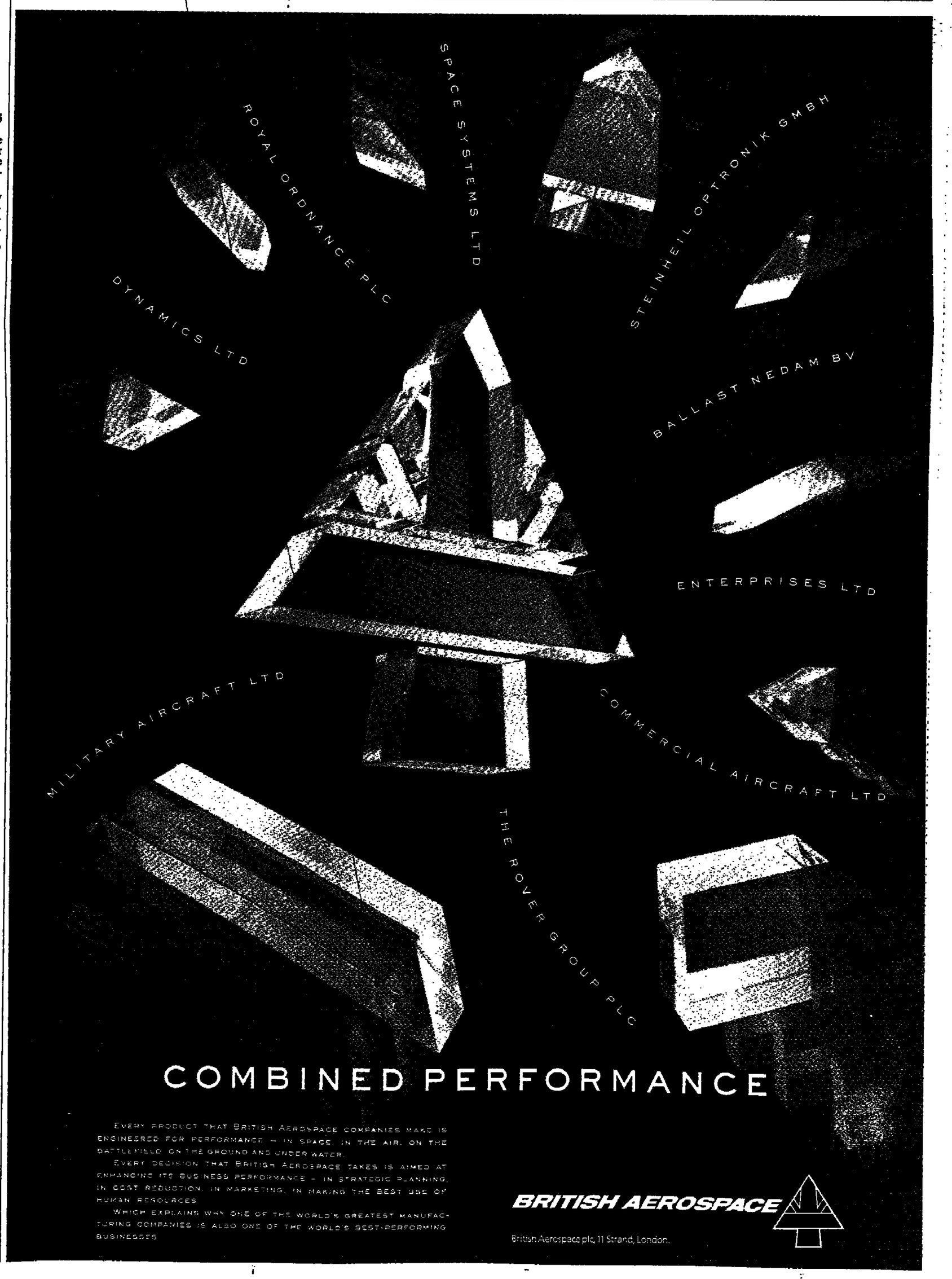
That the United States still has a technological edge is without question. That it is under threat is also undeniable, but the threat is not only from without.

The U.S. aerospace industry relies heavily on the U.S. government for business, and recent moves to balance the national budget have led to a cut in profits on government contracts and increased cost-sharing in development. Companies are finding it harder to justify the large research and development budgets needed to identify and introduce new technologies.

Given the task of encouraging the development of new aerospace technologies, the National Aeronautics and Space Administration is also finding money to be scarce and is having to make strategic decisions which could shape the future of U.S. industry.

Nonetheless, the U.S. military has gone ahead with significant funding for one new technology in which it sees potential — the tilt-rotor. This concept combines the vertical takeoff and landing capabilities of a helicopter with the

Continued on page 10



Perestroika Is Forcing Soviets To Reconsider Space Priorities

LONDON — Seemingly unstoppable, the Soviet space program visibly faltered in April, when the crew of the Mir space station was recalled to Earth and the craft was left unmanned for the first time since its launch in February 1986.

Several reasons were given for the recall and the decision not to launch a relief crew: technical problems with the station itself and delays in launching add-on sections to expand Mir.

The truth is, however, that the Soviet space program is fighting for its survival.

The Soviet Union's economic and political restructuring has turned the spotlight on previously hidden areas of public expenditure, including the country's massive space program.

National pride is no longer sufficient justification for expending scarce resources on ambitious space projects. The Soviet people want consumer goods, not missions to Mars.

And Soviet space projects must now have clear economic, political or military goals if they are to proceed. It is a reality with which the U.S. National Aeronautics and Space Administration has lived since the American people largely turned their back on space during the protracted Apollo program.

There are many parallels. The successful first flight of the Soviet Buran space shuttle last November was hailed by some as a technical triumph, and branded by others a monumental folly. Criticism, led by the chief Soviet space scientist Raold Sagdeev, echoed that which greeted the maiden flight of the U.S. space shuttle in 1981, principally that the vehicle served no practical purpose.

The Soviet space program received another setback in March, with the latest in a series of embarrassing failures in its efforts to conquer Mars. The failure of its Phobos 2 space probe, just days before its rendezvous with the eponymous Martian moon, effectively silenced ambitious talk of a manned mission to the planet around the turn of the century. In September, a sister ship, Phobos 1, became lost in space after a Soviet ground controller sent an erroneous computer command to the craft.

It appears that individual agencies in the Soviet space program were pursuing individual goals with little thought to the cost. Now, Soviet space officials are working hard to justify the money spent, highlighting the benefits to the country's economy of the Earth observations conducted by satellites and by cosmonauts aboard the Mir space station.

> National pride is no longer sufficient justification for expending scarce resources on ambitious space projects.

Valuable mineral resources have been discovered and vital crops monitored from space, they say.

Sensing the current mood, space officials have also emphasized the technological achievements made, particularly the manufacture in orbit of better semiconductors for faster computers and purer proteins for new medicines. Such benefits are still a long way from reaching Soviet industry, however.

In the short term, officials are trying to find commercial justification for continuing the space program at its present scale. Selling space services abroad for hard currency is one way to demonstrate an economic argument for continued investment in space projects.

Satellite photographs and other data from the country's massive Earth resources program are now offered for sale through Western agents. The quality is good, but as the U.S. Landsat and French Spot satellite programs are showing, the commercial returns are small.

The Soviet Union is also selling flights to Mir and advertising space on board the spacecraft itself. The going rate for a two-week trip to Mir is $10 million, but the first customer, Austria, has negotiated a reduction.

A Japanese television company has booked a 1991 flight for a journalist, sparking such a furor among Soviet commentators that a special panel has been set up to select a reporter who will fly to Mir ahead of his Japanese counterpart.

France, one of several countries to have had free flights to Mir, has so far declined to pay for a further mission.

However, Britain might accept. The Briton in Space project, although endorsed by the British government, will be an entirely private venture. Britain's last opportunity to put a man in space evaporated when its Skynet 4 military satellite was transferred from the grounded U.S. shuttle to Europe's Ariane rocket.

In a further attempt to raise money, the Soviets are offering space aboard their satellites, or even entire spacecraft, to Western agencies and industries. The most lucrative market is in microgravity research — experiments into the production of materials in the near weightlessness of low Earth orbit.

The prolonged grounding of the U.S. space shuttle following the January 1986 Challenger explosion created a demand for microgravity research time on which the Soviets hope to capitalize. Already one West German company has booked several flights on the Soviet Photon spacecraft.

Sales of satellite images, Mir flights and microgravity access seem unlikely to recoup much of the massive Soviet expenditure on space, however. The only remaining source of income is from launching satellites for foreign customers.

Here, Soviet space officials have some grounds for optimism, on paper at least. They have a wide range of launch vehicles available, and, with Soviet launches running at around 100 a year, the costs are probably low. The vehicles may be old in design, but in the satellite launching business that is no great disadvantage. The key factor is a proven record of reliability.

The Soviets' major disadvantage is that most customers are seeking launches for satellites either built in the United States or with significant U.S. content. So far, the United States has refused to allow any such satellite to be launched by the Soviets, for fear that U.S. technology would be stolen once the spacecraft is in the Soviet Union being prepared for launch.

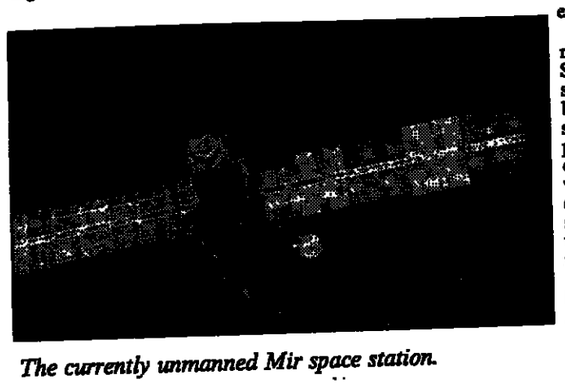
The Soviets have gone to great lengths to allay such fears, inviting U.S. observers to view the launch facilities and security arrangements and stipulating that satellites can be accompanied at all times by U.S. personnel. Now that China has received permission to launch two U.S.-built satellites on behalf of Australia, it seems only a matter of time before the Soviets gain similar approval.

Launches will be treated case-by-base, however, and any cooling of East-West relations could result in the United States reimposing its embargo on Soviet launches.

It is unclear what will happen now. Certainly introduction of the Soviet space shuttle and expansion of the Mir space station will be slowed and the launch of a second-generation Mir 2 delayed, perhaps beyond the turn of the century. Space science programs will be delayed, and even canceled, and any major initiative, such as a manned mission to Mars, will almost certainly involve international collaboration.

Soviet *perestroika* and the U.S. budget deficit seem to have spelled an end to the space race.

Graham Warwick



The currently unmanned Mir space station.

Tim Roberts/Reuters/AFP.

A prototype of the Bell-Boeing V-22 Osprey, the world's first production tilt-rotor aircraft, during a test flight.

U.S. Technological Edge at Risk

Continued from page 9

cruise speed and range of a turboprop transport aircraft.

Following an enormously successful technology demonstrator program in the 1970s, tilt-rotor was selected by the U.S. military to meet the vertical-lift requirements of all four services — air force, army, navy and marine corps. A Bell-Boeing team was given the $1.8 billion contract to develop the V-22 Osprey tilt-rotor tactical transport aircraft.

As a joint service project, Osprey enjoyed considerable congressional support. Its popularity was buoyed by a report prepared by NASA, the Federal Aviation Administration and the Department of Defense that identified an enormous civil potential for the tilt-rotor concept.

All seemed to be going well until Bell-Boeing encountered development problems that delayed Osprey's first flight by nine months, to March of this year. In those six months came a change of U.S. administration and with it a determination to cut the U.S. budget deficit. Cancellation of the V-22 is the centerpiece of Mr. Cheney's 1990 "austerity" budget.

Congress has already reaffirmed its support for the Osprey program, but it remains to be seen whether it can find room for the V-22 within the budget.

Mr. Cheney argues that the V-22, although desirable, is not essential. Helicopters can continue to perform the role envisaged for the Osprey, he says. The V-22's principal customer, the U.S. Marine Corps, believes otherwise.

Year after year, the Marine Corps fought its paymaster, the navy, and persuaded Congress to find funds for the AV-8B Harrier II vertical takeoff and landing attack aircraft. The marines regard the V-22 as an essential complement to the AV-8B, with its ability to fly faster and further than conventional helicopters.

Had defense spending been as tight then as it is now, however, the marines might not have won their fight, and the future of the V-22 is still in doubt.

Tilt-rotor is one of the few truly new technologies to emerge in recent years. Its potential "to change the way man flies" has been acknowledged by the Soviet Union and by the Europeans, who are studying a tilt-rotor airliner under the auspices of the Eureka civil high-technology initiative.

The United States has at least a 10-year lead in tilt-rotor technology. The Soviet and European designs are still on the drawing board. V-22 is flying and could enter service by 1991 as a military transport and by 1995 as a civil airliner. A delay to the program would not cost the United States its lead, but cancellation of the V-22 could prove disastrous for U.S. industry.

Either or both of the companies developing Osprey could, if it is canceled, continue the program as a private venture. The pace of development would inevitably slow, however, and the program could be scaled down to the level of a technological demonstration, bringing the prospect of an operational tilt-rotor aircraft no closer than it was in the 1970s.

Meanwhile, Japan has the ideal application of a tilt-rotor vehicle in its "Highway 600" plan, which would link all the Japanese islands by a network of 600 heliports. Perhaps the plan will provide sufficient justification for Japan's industry to take the lead in tilt-rotor development.

GRAHAM WARWICK is deputy editor of Flight International.

Boom Gives a Boost to Leasing

By Robert Bailey

LONDON — Leasing companies have become a dynamic force in the current expansion of international aviation with their huge new aircraft orders boosting manufacturers and also encouraging the formation of more airlines.

The lease concept grew in the United States during the late 1970s as a result of the airline expansion that resulted from deregulation, increased competition and tax advantages. Now well-established in North America, leasing has also developed into a substantial business in other markets.

In financial terms, an operating lease allows airlines, large or small, to obtain the use of an aircraft without being obliged to pay back their full cost over the term of the lease. Essentially, this removes ownership liability from the airlines' balance sheets, allowing them to concentrate on core activities of transporting passengers and cargo. At the same time, leasing companies accept liability for fluctuations in the value of the capital assets.

Leasing companies consider that the long-term risks of major investment in new aircraft is balanced by the necessity of airlines to replace older aircraft, even if a recession should occur during the 1990s that would reduce passenger growth. Some 36.6 percent of current fleets are composed of aircraft that are 15 years old or more.

If, as predicted, the number of airline passengers doubles to two billion a year by 2000, then the leasing companies' optimism will have been justified. This expansion would mean that an estimated 7,000 new airliners would be required.

A number of new leasing ventures are being formed in Europe. British merchant bank Kleinwort Benson set up a subsidiary this year called Airstream Finance, while Banque Indosuez has joined a French joint venture operation to lease ATR-72 airliners.

The trend goes beyond airframes. Rolls-Royce is discussing the formation of a London-based aero-engine leasing and financing organization with Mitsubishi Trust and Banking of Japan, Chrysler of the United States and National Westminster Bank of Britain.

Much of the present growth and interest is, however, accounted for by the pioneers of aircraft leasing, such as International Lease Finance Corporation (ILFC) of Beverly Hills, California, and the GPA Group of Shannon, Ireland.

> 'Our ideal is that at some point we could be an aviation investment banker.'

ILFC started out in the 1970s with just $50,000 in capital. Its activities grew, and last year it placed what was then the largest order in civil aviation history for 130 new Boeing and Airbus airliners valued at $7 billion.

The focus of attention is now on GPA, which is fast developing into the leading worldwide leasing company. In April, GPA placed orders with Boeing, McDonnell Douglas and Airbus Industrie for a total of 308 aircraft valued at $17 billion.

In 1983, GPA had just 10 aircraft on its books. Today, the organization is valued by investment bankers Saloman Brothers at $1.56 billion.

The GPA chairman and chief executive, Tony Ryan, said: "The strategy of the new aircraft acquisition program which we put in place in 1984 is maturing now, and the growth in our business is keeping pace with our development plan."

Earlier this year, GPA also established a financial services division to provide funding for its own customers rather than see them borrow in the outside market. The chief commercial officer, Colm Barrington, is quoted as saying that, while the division is concentrating on tax-based leasing arrangements for clients, it plans eventually to expand to the point where it can offer aircraft financing services to non-clients.

"Our ideal is that at some point we could be an aviation investment banker," he said.

The scale of GPA's purchases has already established the group as a major player in the world aircraft industry. Douglas Aircraft's president-elect, Robert Hood, commented that the April deal, which included orders for 10 MD-11 airliners plus two options, carries on a relationship that has resulted in GPA becoming "one of our most important commercial customers."

According to Mr. Hood, "GPA has introduced our products to airlines that in many cases had not operated our aircraft before."

Jean Pierson, the managing director of Airbus Industrie, another major beneficiary of GPA's record order, said: "GPA is now globally the largest Airbus customer, not only in Europe but anywhere outside the U.S."

GPA, which says none of its aircraft ever waits on the tarmac for longer than 48 hours without a customer, has recently strengthened its management with the appointment of retiring Douglas Aircraft president, James Worsham, and the former Douglas international marketing vice president, Glenn Hickerson.

Ever more confident about its market and future role, GPA expects to take delivery of an average of 80 new aircraft a year through most of the next decade.

ROBERT BAILEY is a London-based journalist specializing in aviation and technology.

Composites Gaining Acceptance

By Al Senia

LOS ANGELES — After years of debate and uncertainty, the use of lightweight composite material as a low-weight, fuel-efficient replacement for aluminum and other metals in jet aircraft is gaining acceptance in both the commercial and military segments of the aerospace industry.

The increasing popularity of composites — high-strength, lightweight plastic materials that when properly treated can offer twice the strength and half the weight of aluminum — will reach a watershed of sorts at this year's Paris Air Show when the first bona-fide all-composite aircraft is delivered to a customer.

Many commercial and military airplanes use composite parts, but only in limited quantities and usually not in primary structures such as the wings and fuselage. However, the Beech Aircraft Division of Raytheon Corp. has spent an estimated $310 million since 1983 developing its futuristic Starship 1, an all-composite business turboprop aircraft.

Starship, which was certified for flight by the U.S. Federal Aviation Administration last June, is widely viewed as proving the ultimate viability of composite airplanes. And that could have wide-ranging ramifications for the entire aerospace industry, because composite parts weigh much less than their metal counterparts, increasing overall fuel efficiency. Using composites also can reduce the overall number of parts in an airplane's structure.

There are are drawbacks, however. The composite material is expensive, and it is difficult and time-consuming to manufacture parts correctly. Composite material has to be handled in a controlled environment and refrigerated when transported. Until Starship was produced, many aerospace executives questioned if composite parts would be accepted as integral components of an airplane.

Beech officials believe the Paris gathering will resolve that question.

"The first Starship is going to be delivered in Paris at the air show to a U.S. customer," said Mike Potts, a Beech spokesman. "We are using the show as a forum."

Mr. Potts said the company has 40 orders, about one-third of which are from international clients, for the $3.9 million airplane. It will take Beech through 1990 to fill current orders. Beech builds the planes at its plant in Wichita, Kansas.

The plane is made of epoxy composite reinforced with carbon fibers that are sandwiched around a plastic honeycombed center.

While Starship is likely to gain wide attention at the air show, its appearance is just one of many recent industry moves that underscore increasing use of composites in much larger commercial and military jet transports.

In May, McDonnell Douglas Corp. received a $23.75 million research and development contract from the National Aeronautics and Space Administration's Langley Research Center to study the replacement of heavy metal airplane structures, including wings and the aircraft body, with composite materials such as high-strength carbon fibers and epoxy-type resins.

The contract, which runs for five years in two phases, will involve a 30-month "concepts development" effort, test verification, and then development of primary composite structures in both military and commercial jets.

The new research program aims to reduce airplane weight by 40 to 50 percent, lessen acquisition costs by 20 percent and 25 percent and reduce the amount of parts needed in airplanes by 50 percent.

Other commercial airplane manufacturers also are adopting composite technology. Airbus, the European aircraft consortium, will use the material in wing parts for its new A-330 and A-340 commercial transports.

BOEING Commercial Airplane Co., the world's largest builder of commercial jets, uses fiberglass, carbon and Kevlar composites in wing and fuselage areas on its 757 transport. Composites comprise 3 percent of the airplane's weight.

Boeing officials say that in the new generation 737 commercial program that has been under discussion, they are considering incorporating composites into primary structures such as horizontal and vertical tails, the rear fuselage, floor beams and wing and flight control surfaces.

Although some consumers may view composite materials such as graphite epoxy as more suitable for such items as tennis rackets, it appears likely that airplane passengers in the next century will be traveling on aircraft built more from plastic composites than metals. Many industry executives believe between 50 and 65 percent of new generation aircraft will be made of the material.

"Advances made in structural materials technology have made a significant impact on aircraft design and performance, especially when considering the large weight reductions made possible from the use of composite materials for both primary and secondary structures," said Warren Johnson, a researcher with the air force's Materials Laboratory at Wright Patterson Air Force Base in Ohio.

AL SENIA is a business journalist in Los Angeles specializing in aerospace and in high technology industries.

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Aviation: Planning for the '90s / A Special Report

After the FSX, Future Projects Are Likely to Be Less Ambitious

By Daniel Sneider

TOKYO — The United States and Japan have finally wrestled their way to an agreement to guide the co-development of the controversial FSX jet fighter. But the prolonged dispute over the FSX has left a residue of bitterness and mistrust that will slow the pace of defense technology cooperation between the two allies.

"The FSX controversy has caused a loss of trust throughout the Japan Defense Agency," commented a U.S. defense official. "On both sides, we have to work very hard to regain it. ... If the FSX goes well, it will encourage further co-development. But we've seen the last of big projects for a while."

Rather than tackling an entire aircraft, many observers foresee cooperation on more manageable goals such as an instrument display panel in the cockpit. But the FSX wrangle may also encourage Japanese industry to increasingly go it alone in weapons development.

When the FSX agreement was first concluded, last November, the U.S. Defense Department promoted it as a model of how allies could share the cost of weapons development, exchanging technology for mutual gain. The pact gives the United States full access to the Japanese-financed airplane, which will modify the General Dynamics F-16 with advanced Japanese avionics and materials technology.

But the deal fell apart under pressure from American critics who assailed it as giveaway of American aerospace technology. Angry voices in Congress, the Commerce Department and in certain sectors of industry warned that the United States was only helping to build up a potential competitor in the vital aerospace industry. The FSX issue fused anger over Japan's persistent massive trade surplus with fears that the United States is losing out in a high-technology war with Japan.

In this charged atmosphere, the newly installed Bush administration forced a renegotiation of the terms of the FSX agreement, though calling it a process of "clarification." The revised pact, finally approved by Congress in May, significantly tightened control over the flow of U.S. technology to Japan. In addition to a 35 percent to 45 percent American share of the development work agreed to earlier, Japan had to guarantee a 40 percent share of the production work.

The U.S. demands enraged Japanese defense officials who saw it as an unreasonable attempt to change an agreement already reached, and signed, by the two governments. Many within the Japan Defense Agency, with the support of the Japanese aerospace firms, had resisted the original co-development formula, favoring a completely indigenous development by Japan.

The compromise was accepted with the understanding that Japan would be able to join American technology to their own, said a Japanese defense official who participated in the negotiations. Then, he charged, the Americans changed the rules, restricting that technology.

> The controversy 'has definitely damaged the U.S. image as a reliable provider of defense technology and equipment.'

"Is it a fair way of doing co-development?" he asked. "Then why did they press Japan to co-develop? All Japanese people got angry. They shouldn't have done that."

"If the Pentagon is more restrictive on the transfer of technology from the U.S. to Japan, I am concerned that Japanese industry would want to go by themselves," said Hiroo Kinoshita, a Sumitomo corporation executive, adding that "that is not good for both American and Japanese defense industries." Mr. Kinoshita headed the Defense Agency's Equipment Bureau, where he led negotiations on the 1983 agreement to promote transfer of Japanese defense technology to the United States.

The FSX controversy "has definitely damaged the U.S. image as a reliable provider of defense technology and equipment," commented Bill Beagles, president of the U.S. Aviation Industry Association in Japan.

"The American aerospace industry is not overly concerned about the fact that there would be technological benefits to the Japanese aerospace industry" in the FSX deal, Mr. Beagles said. He added that the United States "will also receive Japanese technology beneficial to us."

U.S. and Japanese companies have good reasons for working together, he said. As the development of new defense systems becomes more complex and more expensive, "these are huge risks not capable of being borne by any one country," he said. "We have to forge ahead in reasonable partnerships ... for the next century's projects."

Japanese defense industry officials share the view that the complex nature of defense technology makes cooperation a necessity. But they also seek to promote as much development within Japan as possible.

The high technology content of weapons systems these days means that development often requires "spending big money with no guarantee to succeed," said a senior executive in charge of defense production for a major Japanese electronics firm.

With this in mind, the Japanese defense industry association recently issued a report recommending that the government double the level of defense technology research and development during the next five-year buildup plan, scheduled to begin in fiscal year 1991. At the same time, the Keidanren pressed its view that domestic procurement of weapons be increased.

"We think it is an urgent subject to improve Japanese technology in the next defense plan in order to improve the quality of defense," stated Masao Kanamori, head of the Defense Production Committee of Keidanren, the federation of economic organizations, Japan's big business group. The group proposed that spending on research and development be at least doubled in the next plan from a current level of almost 2.5 percent of total spending to 5 percent.

"The state of Japanese military technology is rather low," the U.S. defense official said. "Military technology is underfunded and underdeveloped."

While Japan puts huge resources into civilian research and development, its defense research and development spending is well below that of the United States and West European nations, which are in the 5 percent to 10 percent range.

The Keidanren supports continued joint research and development with the United States. But it is argued that in order to make this effective, Japan needs to develop its own high-level technology.

"If both parties have equal technology and bring it, that is really co-development," the defense electronics executive argued.

Still, Japanese industry is clearly wary of such projects. The Keidanren report called on the government to ensure that Japanese commercial technology that is brought into such joint projects be protected from Pentagon restrictions on its later use.

One lesson of the FSX, both Japanese and U.S. defense officials agree, is that cooperation has to be built slowly on a firmer foundation of experience in much smaller projects. The complex FSX project was attempted despite the failure to make any progress on several standing proposals for joint developments of much smaller-scale systems.

"We should have crawled before we ran," Mr. Beagles said.

DANIEL SNEIDER is the Tokyo correspondent of The Christian Science Monitor and of Defense News.

Asian Air Forces Turn to Retrofitting

Continued from page 9

craft and extend their service life beyond the year 2000.

The partly completed programs, said Prasun Sengupta, deputy editor of Aerospace magazine, have already produced "up-to-date aircraft with much-improved flight performance at a fraction of the cost of acquiring new fighters." Training and maintenance time and costs have also been sharply reduced, he added.

For example, New Zealand awarded a $62 million contract to SLI Avionics Systems, the U.S. division of Smiths Industries of Britain, to install new avionics, including weapons control and search radar, inertial navigation, multi-function cockpit displays, aircraft guidance units and computers in 17 A-4 Skyhawk single-seat fighters of the New Zealand Air Force and 5 two-seat trainers. The program is scheduled to be completed by the end of 1989.

It went ahead after a study commissioned by the New Zealand military found that the Skyhawks could be satisfactorily modernized for less than $5 million each. This was less than a quarter of the bill for acquiring advanced front-line fighters, such as the F-16A/B Fighting Falcons made by General Dynamics Corp. of the United States at a cost of $22 million per plane.

The New Zealand assessment concluded that when the airframes of the A-4s were refurbished and avionics packages installed that were similar to those in the F-16A/B, the Skyhawks "could fulfil up to 95 percent of the Fighting Falcon's capabilities in primary maritime strike and ground attack roles, and about 90 percent of its low-to-medium altitude air combat capabilities at about one-sixth the cost."

Singapore is pressing ahead with a program to put new engines and avionics into three Skyhawk squadrons, each with 20 aircraft. The F404 engines being installed in Singapore are made by General Electric Co. of the United States and are the same as those that power McDonnell Douglas's latest frontline fighter, the F/A-18 Hornet.

Inaugurating the first of the re-engined squadrons of "Super Skyhawk" fighter-bombers in March, Brigadier General Lee Hsien Loong, Singapore's second minister for defense (services), said that once the remaining two squadrons were commissioned, the whole Skyhawk fleet would be refitted with "more sophisticated avionics to improve their navigation and weapons delivery accuracies." Analysts expect the total cost of this program to be more than $200 million.

General Lee said that although the Super Skyhawk had a smaller, lighter engine than the original, the upgraded aircraft had 30 percent more thrust. It was also faster and had a better rate of climb. With improved avionics, the Super Skyhawk would be effective for another 15 years, he added.

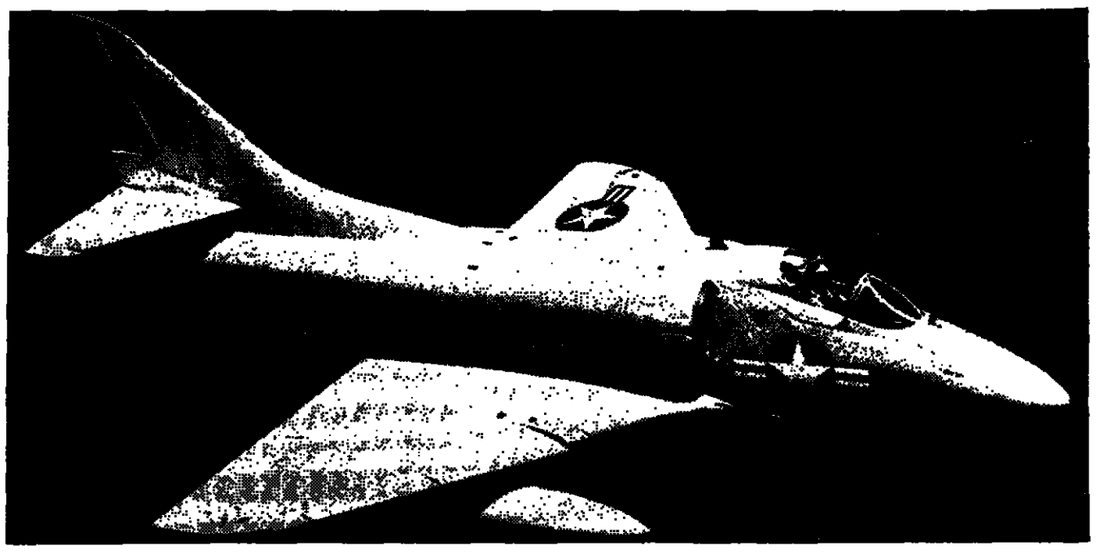
In addition to saving large amounts of money by not having to replace whole fleets of aging combat planes with much more expensive new aircraft, upgrading is seen by some Asian and Pacific countries as a nonprovocative means of enhancing defense capabilities.

Singapore, for example, has to be careful not to arouse the suspicions of its larger neighbors, Indonesia and Malaysia. Skyhawks are used as ground attack aircraft by Indonesia and Malaysia as well as Singapore. General Lee said that replacing the Skyhawks with more modern planes "was not only exorbitantly expensive, but also politically insensitive and unwise."

Singapore, Indonesia and Thailand have each ordered a relatively small number of F-16s, while Malaysia is expected to announce a firm order soon for up to a dozen Panavia Tornado strike aircraft from Europe. Analysts said that countries acquiring F-16s or other new aircraft while upgrading older planes stipulated that they should be able to operate effectively together.

Malaysia grounded its 35 Skyhawks in October after several crashes. Air force officials said recently that eight of the planes have been cleared to fly again while the remainder were still undergoing inspection. The Defense Ministry in Kuala Lumpur has said that a decision has not yet been made on whether to upgrade the aircraft.

The largest avionics retrofit market in the Asia-Pacific region has been China, where the state-owned manufacturers of four different combat aircraft turned to suppliers in the United States and the European Community. Transfer of U.S. avionics was recently halted when President George Bush announced the suspension of American military sales to China in protest at the use of the armed forces to suppress the pro-democracy movement in Beijing.



A McDonnell Douglas A-4 Skyhawk, an older plane among those being upgraded rather than replaced.

The second biggest market is made up of the more than 500 Northrop F-5 fighters that are still in service with the air forces of Bahrain, Indonesia, Jordan, Malaysia, the Philippines, Saudi Arabia, Singapore, South Korea, Taiwan and Thailand.

U.S. and British contractors are working with Thai Air Force technicians at Don Muang Air Base in Bangkok to re-equip 38 F-5s. Work on five of the aircraft has been finished.

U.S. and European avionics manufacturers are also bidding for contracts to upgrade a total of about 165 F-5s in South Korea, Singapore and Malaysia.

MICHAEL RICHARDSON is the International Herald Tribune's editor for Asia.

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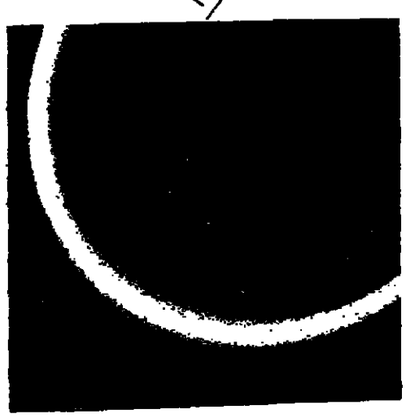

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UNITED TECHNOLOGIES

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
BrlRsc n	92351	45¾	43⅝	44⅞	+1
ParCom	28346	59⅝	56⅝	57¼	—1⅜
PacGE	21307	20	19⅞	20	+ ⅛
WarnC	19240	55¾	54½	54¾	—1⅜
IBM	19188	109	107½	108¾	+ ½
EKodak	17984	50¼	49	49⅝	— ⅝
BnkAm	17597	27¾	25¾	27⅛	+ ¼
Time	15068	175¼	167¼	175	+4¾
USX	12980	38	37⅜	37⅝	— ⅜
FordM	12919	49⅝	48¾	49	+ ½
Syntex	12207	53½	52	52¼	—1⅜
Chrysir	11924	25⅝	24⅞	25⅝	+ ¼
Exxon	11312	44¾	43⅝	44¼	+ ⅝
AT&T	11298	36⅛	35⅝	36⅛	— ⅛
Citicorp	11225	33⅛	32¼	32⅞	— ⅞

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	92.32	+0.09
Utilities	92.95	Unch.
Industrials	91.70	+0.19

Market Sales

NYSE 4 p.m. volume	151,460,000
NYSE prev. cons. close	207,185,820
Amex 4 p.m. volume	12,630,000
Amex prev. cons. close	13,040,000
OTC 4 p.m. volume	125,542,000
OTC prev. 4 p.m. volume	148,442,100
NYSE volume up	64,318,200
NYSE volume down	67,549,300
Amex volume up	5,291,900
Amex volume down	4,850,100
OTC volume up	n.a.
OTC volume down	n.a.

NYSE Diary

	Close	Prev.
Advanced	714	759
Declined	770	773
Unchanged	512	474
Total Issues	1996	2006
New Highs	119	178
New Lows	11	15

NYSE Index

	High	Low	Close	Ch'ge
Composite	182.14	181.14	182.14	— 0.23
Industrials	218.39	217.06	218.39	— 0.18
Transp.	174.42	172.79	174.42	+ 0.82
Utilities	88.34	88.06	88.34	— 0.11
Finance	155.85	155.09	155.85	— 0.29

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
June 9	470,531	533,108	22,177
June 8	338,607	599,397	47,240
June 7	463,847	578,576	10,193
June 6	433,904	643,361	56,226
June 5	353,405	585,426	47,233

*Included in the sales figures

Monday's NYSE Closing

Via The Associated Press

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2505.78	2528.17	2484.70	2518.44	+ 5.24
Trans	1146.83	1158.31	1137.29	1154.59	+ 6.30
Util	206.50	207.15	205.07	206.50	+ 0.06
Comp	954.78	962.81	944.99	959.43	+ 2.62

AMEX Diary

	Close	Prev.
Advanced	296	278
Declined	311	292
Unchanged	257	277
Total Issues	864	847
New Highs	55	53
New Lows	5	4

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	373.53	370.18	373.21	— 0.32
Transp.	269.66	266.09	269.40	+ 1.42
Utilities	134.78	132.66	134.25	— 0.53
Finance	31.33	30.99	31.21	— 0.14
SP 500	326.49	322.72	326.24	— 0.45
SP 100	302.32	299.30	301.99	— 0.33

NASDAQ Index

	Close	Ch'ge	Week Ago	Month Ago
Composite	453.39	— 0.26	447.84	436.21
Industrials	444.21	— 0.04	441.80	433.83
Finance	585.47	+ 0.05	520.02	506.41
Insurance	509.46	+ 1.20	494.78	479.79
Utilities	724.61	— 3.54	696.72	661.79
Banks	480.35	+ 2.04	474.63	458.44
Transp.	425.37	— 2.24	421.80	409.74

NASDAQ Diary

	Close	Prev.
Advanced	923	904
Declined	1,064	1,038
Unchanged	n.a.	2,483
Total Issues	n.a.	4,425

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
TIE	11464	2	1⅞	2	+ ⅛
BAT	10374	9⅝	9⅛	9⅝	— ⅛
IntBknt	6178	5⅞	5⅝	5⅞	
FurVit	4197	2½	2⅜	2⅜	
Atari	3885	8⅝	8⅛	8⅛	— ⅛
Frd wt91	3332	2⅞	2½	2⅝	+ ⅛
WangB	3125	8¼	8	8⅛	+ ⅛
Bayou n	2719	6½	5⅞	6⅜	+ ½
EchoBy	2454	14¾	13⅝	14¾	+ ¾
CalPrnt	2185	16¼	14⅞	16⅛	+1¼
AdRsiEl	2149	15½	15⅛	15¼	+4¾
TexAir	2124	14⅝	13⅞	14¼	+ ⅛
A-mo sc	1951	60⅜	58½	59⅜	—1⅞
IntlRec	1945	14¼	13⅝	13⅞	+ ¼
ATI	1878	10⅛	9⅝	10⅛	+ ⅜

AMEX Stock Index

High	Low	Close	Ch'ge
366.25	364.89	365.89	— 0.27

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Mixed After Selling Bout

United Press International

NEW YORK — Prices on the New York Stock Exchange closed mixed Monday in moderate trading as the market failed to fully recover from an early round of futures-related selling.

The Dow Jones industrial average, which had fallen 3.49 Friday, rose 5.42 to post its highest closing level since the Oct. 19, 1987, collapse at 2,518.84. Much of the advance in the blue-chip index was due to a surge in Procter & Gamble.

Broader market indicators lagged behind the Dow, and subsequently closed lower. The New York Stock Exchange composite index eased 0.23 to 182.14 and Standard & Poor's 500-stock index slid 0.44 to 326.25. The price of an average share lost 5 cents.

Declines edged advances by a narrow margin. Volume slowed to 151.46 million shares from 173.24 million traded Friday.

Analysts said the market was extending the weakness it showed Friday, when a stronger than expected 0.9 percent increase in May wholesale prices sparked some profit taking despite sharp gains in the currency and bond markets.

Ricky Harrington, technical analyst with Interstate-Johnson Lane Corp., in Charlotte, North Carolina, said the renewed weakness could be a sign that the market was entering a period in which it would consolidate its recent sharp gains.

"The market is probably in a correction here," he said, noting that stock prices have shown a steady upward trend since mid-November.

"The 2,475 level on the Dow industrials has represented a critical support level over the last three or four weeks. I don't expect the market to fall any lower than, say, 2,400," he said.

Traders said stock prices earlier in the session fell victim to futures-related selling that was triggered by a sudden dip in the bond market.

Stock-index futures dropped to levels at which computer-driven sell programs kicked in at the Chicago Mercantile Exchange. The programs involved the purchase of futures contracts and the sale of stocks.

Burlington Resources, ex-dividend, a takeover-related stock, was the most active NYSE issue, jumping 1 to 44⅞.

Other stocks tied to takeover speculation tended to close lower, however. Paramount Communications, ex-dividend, the second most active issue, dropped 1⅜ to 57¼ after its bid for Time Inc. last week. Warner Communications, with whom Time had agreed to merge, fell 1⅜ to 54¾.

Time rebounded from an early sell-off and closed 3¾ higher at 174. Traders said the rally was fueled by rumors that either Kohlberg Kravis Roberts & Co., or the Robert M. Bass Group, may be planning a potential bid for Time.

USX fell ⅜ to 37⅝, and Eastman Kodak slid ⅝ to 49⅝ after rallying last week on takeover rumors.

Pacific Gas & Electric was the third most active issue, rising ⅛ to 20.

AT&T fell ⅛ to 36⅛. IBM rose ¾ to 108¾.

Among other blue chips, American Express eased ⅛ to 34⅛, McDonald's dropped ⅜ to 58¼, General Electric fell ⅜ to 54¼, and Merck & Co. slid ⅜ to 70⅞.

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(Continued on next left-hand page)

Herald INTERNATIONAL Tribune
BUSINESS/FINANCE
TUESDAY, JUNE 13, 1989 **

WALL STREET WATCH

In Spring Rally, NASDAQ Is Close to All-Time High

By ANISE C. WALLACE
New York Times Service

NEW YORK — The broad-based NASDAQ composite index has quietly moved within a whisker of its record high, showing the extent of this spring's stock market rally. On Friday the NASDAQ composite index closed at 453.65. That was less than 2 points below the record 455.26 set Aug. 26, 1987, before the October market collapse, although the index eased 0.26 points to 453.39 on Monday.

Almost 28 percent of the more than 4,000 NASDAQ over-the-counter stocks are at prices above their 1987 highs, and 287 are trading at or above their 52-week highs, according to Merrill Lynch analysts.

"These are certainly measures of a very strong market," said Robert J. Farrell, chief market strategist at Merrill.

Some experts say OTC stocks will outperform blue-chips over the next year.

Though dominant in the headlines, the Dow Jones industrial average remains more than 200 points below its record high, and some investment advisers predict that the over-the-counter stocks will outperform the large blue-chip issues over the next year.

NASDAQ is the acronym for the National Association of Securities Dealers Automated Quotation system. The NASDAQ index has already advanced 18.7 percent since January, while stocks of some individual companies, such as MCI Communications Inc., have surged by as much as 80 percent.

Last week, the NASDAQ index advanced in part on the strength of shares of cellular-telephone companies after McCaw Cellular Communications Inc. offered $120 a share for Lin Broadcasting Corp.

"This feels like a bull market," said Roger B. McNamee, co-manager of the T. Rowe Price Associates New Horizon Fund, a $1 billion mutual fund that invests in many of these securities.

During this year's rally, some of the largest gains have been made by over-the-counter stocks of telecommunications companies, health services, Midwestern commercial banks and companies in the travel and entertainment sector.

The worst-performing stock groups include gold and silver, business services, savings and loans, Southwestern commercial banks and electrical equipment companies.

AS THE MARKET has improved, trading activity has picked up for the 6,432 member firms that make markets in these stocks. The average daily trading volume in May was 140 million shares, slightly more than the average 139.8 million in May 1987 and significantly better than the average daily volume of 117.5 million last year, according to the National Association of Securities Dealers .

So far, individual investors have yet to participate directly in the rally, brokers say, and over-the-counter trading has been dominated by professional investors at mutual funds, bank trust departments and insurance companies.

Mutual funds that specialize in over-the-counter stocks say cash inflow from individual investors is still minimal.

"This is being accomplished without the individual investor," said Steven G. Einhorn, an investment strategist at Goldman, Sachs & Co.

Of course, the near brush with the record has some investors worried. During the current rally, for instance, Boniface Zaino, a portfolio manager in the New York office of Trust Co. of the West, has been selling technology stocks.

And even though Mr. McNamee says he thinks he can find inexpensive stocks with higher-than-average earnings growth rates, he said the increased level of initial public offerings makes him nervous about the overall market.

In recent weeks, Unitog, Duty Free International, Goal Sys-

See RALLY, Page 16

THE CORPORATE PLAYERS IN THE FIGHT FOR TIME INC.

PARAMOUNT COMMUNICATIONS INC.
(formerly Gulf & Western Inc.)
Headquarters: New York.
Employees: 19,500.
Financial: Profit of $385 million on revenue of $5 1 billion in year ended Oct. 31
Stock: 52-week range $56.12½-$37.12½; closed Wednesday at $54.75, up 75 cents from $54 at *Tuesday's close.*
Main businesses: Publishing, including book publisher Simon & Schuster; entertainment, including television and movie studio Paramount Pictures: financial services.
Wall Street advisers: Investment banker Morgan Stanley & Co

TIME INC.
Headquarters: New York.
Employees: 21,000
Financial: Profit of $289 million on revenue of $4 5 billion in year ended Dec. 31.
Stock: 52-week range $135 50-$83; closed Wednesday at $170, up $44 from $126 at Tuesday's close
Main businesses: *Publishing, including Fortune,* Time and Sports Illustrated magazines: cable television, including Home Box Office, Cinemax and numerous cable systems.
Wall Street advisers: Investment bankers Wasserstein Perella & Co and Shearson Lehman Hutton Inc; law firms Cravath, Swaine & Moore and Skadden, Arps, State, Meagher & Flom.

WARNER COMMUNICATIONS INC.
Headquarters: New York
Employees: 14,460
Financial: Profit of $423 million on revenue of $4.2 billion in year ended Dec 31
Stock: 52-week range $52 75-$32 37½; closed Wednesday at $53 50, up $1 75 from $51 75 at Tuesday's close
Main businesses: Recording, including Elektra, Asylum, *Nonesuch and Atlantic labels; entertainment,* including Warner Brothers movie studio and interests in movie theaters and cable television
Wall Street advisers: Investment banker Lazard Freres & Co ; law firms Paul, Weiss, Rifkind, Wharton & Garrison and Wachtell, Lipton, Rosen & Katz

The Washington Post

Picking Up Pieces of Warner's Dream

Harsh Words From Chairman Ross For Man Who Spoiled His Merger

By Geraldine Fabrikant
New York Times Service

NEW YORK — Steven J. Ross, the chairman of Warner Communications Inc., is clearly furious.

Mr. Ross thought he had built the perfect sand castle: a debt-free merger with Time Inc. that he saw as "the American dream," a company strong enough to be a dominant force in the global media marketplace.

For Mr. Ross, the consummate deal maker, it was the consummate deal.

Then last week, just weeks before shareholders were to vote on the merger, Martin S. Davis, the chairman of Paramount Communications Inc., abruptly destroyed the sand castle, with the former Gulf & Western Inc. making a cash bid for Time of $175 a share, or $10.7 billion.

"Gulf & Western said its bid was a friendly action, but that is pure fiction," Mr. Ross said Friday in a rare interview in his New York offices.

Speaking of Mr. Davis, he added, "He made overtures to Time that were rejected. Time had never put itself up for sale."

Looking tired, and saying repeatedly that he was "frustrated," by the turn of events, Mr. Ross attacked the Paramount bid as one certain to severely weaken the merged companies.

"I am a long-term player," he said, "and I believe shareholders are better served by responsible management like Time-Warner than by creating a debt-ridden monster like Paramount envisions."

Mr. Ross also questioned the long-term goals of Mr. Davis, who has reshaped Paramount from a conglomerate of diverse businesses into a media and entertainment company.

"He said he would not sell assets," Mr. Ross said. "But his registration form says that the investment bankers will receive 0.2 percent of all divisions or assets sold."

He also pointed out that Paramount had said it would not have earnings for the first two years after the highly leveraged merger.

"What will change in the third year?" Mr. Ross asked. "He said he would run Time better, but where are the long-term values for shareholders?"

"Gulf & Western is taking two strong companies and making one weak company in industries where you have to take risks and expand," he continued. "If they are not free to invest and start new magazines, the country and the economy will be the poorer for it. At Time with Gulf & Western there, the good people are gone."

Because the companies have been rivals, and at times allies, for so

See ROSS, Page 16

Fred R. Conrad/The New York Times

Nicholas J. Nicholas Jr., left, president of Time Inc., and J. Richard Munro, center, Time's chairman, with Steven J. Ross, chairman of Warner, at a meeting in March about the merger.

Time Inc. Stock Surges On Rumors of Warner Bid

Compiled by Our Staff From Dispatches

NEW YORK — Time Inc. stock surged Monday amid a flurry of rumors including one about Warner Communications Inc. making a $215-a-share bid for Time.

Other rumors said the stock was on the restricted list at Drexel Burnham Lambert Inc. or at Merrill Lynch & Co. When a Wall Street firm restricts a stock its salesmen can no longer solicit orders in it and the move can mean the firm is representing a potential buyer of the company.

Drexel said it would neither confirm nor deny the rumor, and Merrill Lynch was not immediately available.

A Time spokesman declined to comment on the activity in the company's shares, and Warner Communications did not return telephone calls.

Time and Warner have been the subject of intense speculation on Wall Street since Paramount Communications Inc.

See TIME, Page 15

Dollar Rises Despite Bank Intervention

Reuters

NEW YORK — The dollar advanced further on Monday, buoyed by heavy investment flows into the U.S. currency seeking high interest rates and political stability.

Dealers said the heaviest demand for dollars again came from Asia as investors seeking refuge from the instability brought about by events in China were encouraged further by the perception that U.S. interest rates would not fall further.

The dollar initially rebuffed efforts by the U.S. Federal Reserve and the Bank of Japan to slow its rise through intervention, but the central bank moves later made an impact and the dollar closed below its highs for the day.

The dollar closed in New York at 2.0200 Deutsche marks, up from 2.0110 DM on Friday, and at 148.60 yen, up from 146.65 yen.

The British pound continued to slide amid fears that the government's high interest-rate policy has not yet succeeded in controlling inflation. The pound dropped to $1.5295 from $1.5470 on Friday.

The U.S. unit also ended at 1.7560 Swiss francs, up from 1.7410 francs, and at 6.8655 French francs, up from 6.7975 francs.

Dealers said that despite the central bank intervention, the outlook for the dollar is bullish. They said as long as financial markets remained worried about political instability in Asia and economic trends in the United States point to stable to higher interest rates, the U.S. currency would rise.

"I don't see what's going to stop it from going up at the moment," said Geoffrey Dennis, chief international economist at James Capel Inc.

Riding on a wave of positive sentiment, the dollar has advanced over 11 percent since the beginning of May against the yen and more than 7 percent against the mark.

While dealers and economists said the dollar may pause for a short time as it consolidates recent

See DOLLAR, Page 17

Idemitsu of Japan Buys North Sea Oil Stake

Compiled by Our Staff From Dispatches

OSLO — In a move to secure more stable supplies of crude oil in the aftermath of disruptions caused by the Iran-Iraq war, Idemitsu Kosan of Japan said Monday that it would buy a 9.6 percent stake in Norway's Snorre North Sea oil field for up to 1.5 billion kroner ($208.7 million).

Analysts said the move would give Idemitsu access to roughly 700 million barrels of crude oil reserves, making it by far the largest such crude oil acquisition by a Japanese oil company.

"The Japanese have made small forays into the U.K. sector," said Alan Sinclair, an oil analyst at Smith New Court Agency, "but this is dimensionally different from anything they've done before."

Japanese oil companies, which are totally dependent on foreign imports, were forced to restrict their oil imports from Iran last year in response to U.S.-led sanctions against the country.

Idemitsu will buy the stake from Den Norske Stats Oljeselskap A/S, the Norwegian state-owned oil company, which said it was selling the reserves as part of a restructuring.

The company said the sale would improve its equity capital structure and reduce its investment commitments in the next few years.

The sale will reduce Statoil's share in Snorre, off central Norway, to 10 percent from 19.6 percent and the Norwegian government's holding in Snorre to 41.4 percent from 51 percent.

Snorre's total development costs, estimated more than 30 billion kroner, have been sharply criticized in Norway. Some oil industry sources and government officials have questioned whether it will make money.

The oil field is due to come on stream in 1992.

Statoil said the ultimate cost to Idemitsu for the 9.6 percent stake would be partly linked to oil price movements and would be in the range of 1.1 billion kroner to 1.5 billion kroner.

"Idemitsu considers the deal as

See OIL, Page 15

Currency Rates

Cross Rates

June 12

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.2865	3.498	1.1264	0.3326	0.1562 *	—	5.378 *	1.2985	1.5345 *
Brussels(a)	42.515	65.035	20.9425	6.1825	2.903 *	18.5955	—	24.3475	0.2852
Frankfurt	2.0276	3.109	—	0.2952	0.1386 *	0.8879	4.775 *	1.1533	1.362 *
London (b)	1.5253	—	3.0903	10.472	2,228.50	3.4758	64.735	2.6780	227.085
Milan	1,463.00	2,242.00	721.45	213.85	—	641.00	34.473	832.25	9.834
New York(c)	—	1.5295 b	2.02	6.846	1,460.50	2.2745	42.28	1.7465	148.60
Paris	6.8775	10.5205	3.388	—	0.4695 *	3.008	0.1618	3.986	4.6145 *
Tokyo	147.70	227.46	73.08	21.57	0.1008	64.87	3.4917	84.23	—
Zurich	1.7562	2.6826	0.8665	0.2559	0.12 *	0.7701	4.1404 *	—	1.1802 *
1 ECU	1.0232	0.6683	2.0767	7.0347	1,498.73	2.2389	43.49	1.8009	152.462
1 SDR	1.2219	0.797	2.4774	8.4033	1,794.15	2.7938	51.9474	2.1499	180.247

*Closings in London, Tokyo and Zurich, fixings in other centers. New York closing rates. a: Commercial franc; b: To buy one pound; c: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	180.64	Fin. markka	4.5155	Mex. peso*	2474.00	S. Afr. rand	2.8325
Austral. $	1.3415	Greek drac.	174.15	N. Zealand $	1.76	Soviet ruble*	0.6407
Austr. schil.	14.10	Hong Kong $	7.791	Nig. naira*	5.2995	Span. peseta	130.70
Brazil cruz.	1.208	Indian rupee	16.32	Norw. krone	7.236	Swed. krona	6.7415
Canadian $	1.2017	Indo. rupiah	1758.00	Phil. peso	20.69	Taiwan $	25.87
Chinese yuan*	3.7221	Irish £	0.7619	Port. escudo	168.10	Thai baht*	25.78
Danish krone	7.806	Israeli shek.	1.89	Saudi riyal*	3.748	Turkish lira	2066.00
Egypt. pound	2.5932	Kuwaiti dinar*	0.2945	Sing. $	1.95	UAE dirham*	3.67
		Malay. ring.*	2.7238	S. Kor. won	664.20	Venez. boliv.	38.40

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5241	1.5175	1.5115	Canadian dollar	1.2047	1.2079	1.2108
Japanese yen	148.53	148.04	147.59	Swiss franc	1.7585	1.7556	1.7534
Deutsche mark	2.0262	2.0224	2.0195				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits

June 12

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	9¼-9⅜	6¾-6⅞	7¼-7⅜	13⅝-13¾	8⅞-9	5⅛-5 3/16	8 13/16-8 15/16	8¼
2 months	9⅛-9¼	6 13/16-6 15/16	7¼-7⅜	13⅝-13¾	8⅞-9	5 1/16-5⅛	8⅞-9	8¼
3 months	9 1/16-9 3/16	6⅞-7	7¼-7⅜	14⅛-14¼	8⅞-9	5 1/16-5⅛	8 15/16-9 1/16	8¼
6 months	8⅞-9	6⅞-7	7¼-7⅜	14¼-14⅜	8⅞-9	5¼-5⅜	9⅛-9¼	8¼
1 year	8 13/16-8 15/16	7⅛-7¼	7 3/16-7 5/16	14⅛-14¼	9-9⅛	5¼-5⅜	9¼-9⅜	8¼

Sources: Morgan Guaranty (Dollar, DM, SF, Pound, FF, yen); Lloyds Bank (ECU); Reuters (SDR).
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

June 12

United States	Close	Prev.
Discount rate	7.00	7.00
Prime rate	11.00	11.00
Federal funds	9¼	9⅛
Com paper 90-179 days	8.16	8.16
3-month Treasury bills	8.19	8.15
6-month Treasury bills	7.89	7.80
2-month CD's	8.70	8.80
3-month CD's	8.70	8.75
Japan		
Discount rate	3¼	3¼
Call money	4⅞	4⅞
2-month interbank	5¼	5 7/32
3-month interbank	5¼	5¼
West Germany		
Discount rate	4½	4½
Lombard rate	6½	6½
Overnight rate	6½	6½
1-month interbank	6.70	6.65
3-month interbank	7.05	6.95
6-month interbank	7.15	7.10
Britain		
Bank base rate	14.00	14.00
Call money	12¾	13½
3-month interbank	14 5/16	14⅛
6-month interbank	14½	14 3/16
France		
Intervention rate	8¾	8¾
Call money	9.00	9.00
1-month interbank	8⅞	8⅞
3-month interbank	8⅞	8⅞
6-month interbank	8 15/16	8 15/16

Sources: Reuters, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

June 12

1 month	9 5/16 - 9 7/16
2 months	9 3/16 - 9 5/16
3 months	9⅛ - 9¼
6 months	8 15/16 - 9 1/16
1 year	8⅞ - 9

Source: Reuters.

U.S. Money Market Funds

June 12

Merrill Lynch Ready Assets
30-day average yield: 9.44
Telerate Interest Rate Index: 8.840

Source: Merrill Lynch, Telerate.

Gold

June 12

	A.M.	P.M.	Ch'ge
Hong Kong	358.25	358.15	— 14.70
Luxembourg	358.00	—	— 14.75
Paris (12.5 kilo)	358.62	359.08	— 12.56
Zurich	357.25	360.25	— 10.20
London	358.50	359.90	— 8.25
New York	—	361.00	+ 3.625

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Japan Starts Index Option Trading

By David E. Sanger
New York Times Service

TOKYO — Japan began trading stock index options for the first time Monday, another step in the country's rapid efforts to catch up with the offerings of Western financial markets.

The options trading started on the Osaka Stock Exchange, which has led many of the innovations in a financial system resistant to such changes in the past. Options are the latest instrument that Japanese investors are turning to for protection against the day when the world's largest stock market finally stops rising: Nine months ago trading began on stock index futures, and after a slow start the idea has caught on.

"We are moving toward the day where every instrument available in New York or Chicago is also available in Japan," Minoru Nakamura, the director of research at the Osaka exchange, said Monday.

By coincidence, options trading began on a day when many investors felt they badly needed a hedge against a down market. With the dollar rising at a remarkable pace — it gained 4.90 yen in Tokyo on Monday, closing at 148.40 — the Tokyo Stock Exchange has gotten nervous. All last week there was evidence that large Japanese inves-

See JAPAN, Page 15

In China, More Central Control Seen

Joint Ventures With Hong Kong Are Facing a Squeeze

By Coleen Geraghty
International Herald Tribune

HONG KONG — Chinese leaders will be attempting, over the next few months, to consolidate economic control within a few strong hands, according to foreign bankers and China analysts here.

The strategy is likely to enhance the position of such large organizations as Bank of China, China International Trust & Investment Corp. and the trading companies China Resources and Everbright, the analysts said.

At the same time, they added, hundreds of smaller joint-venture companies set up by mainland Chinese with Hong Kong partners face a financial squeeze, which could contribute to a disruption of the territory's prosperity and hurt its plans for economic integration with China.

Analysts concede the possibility that China could revert to economic isolation if that becomes necessary for political stability. But many believe Beijing will try to maintain commerce with the West through the established trade and investment channels.

Last week, China's senior leader, Deng Xiaoping, in his first public appearance since the killings of pro-democracy demonstrators in Beijing's Tiananmen Square, said the government would continue to carry out "reform and the open-door policy."

"I do not expect sharp reversals in China's economic policies," said an American banker who has lived in Hong Kong and China for nearly a decade. "I think inflation will get more attention and fixed prices will be restored."

"But I do not see China closing its open door," he said. "They are too closely connected with the rest of the world."

Peter Everington, director of the investment management firm Thornton Management, said the momentum of economic changes built up over the past decade would be impossible to stop.

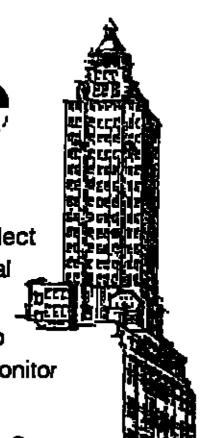
"China's leaders tend to separate economics and politics," he said. "For the past 10 years, they have been carrying out economic reform without political reform. I think we may now see an attempt to recentralize the economy as part and parcel of trying to maintain control."

The recentralization, if it comes about as predicted, would affect future internal investment as well as China's overseas investment, particularly in Hong Kong.

Because foreign companies have

See HONG KONG, Page 16

The Carlyle Hotel



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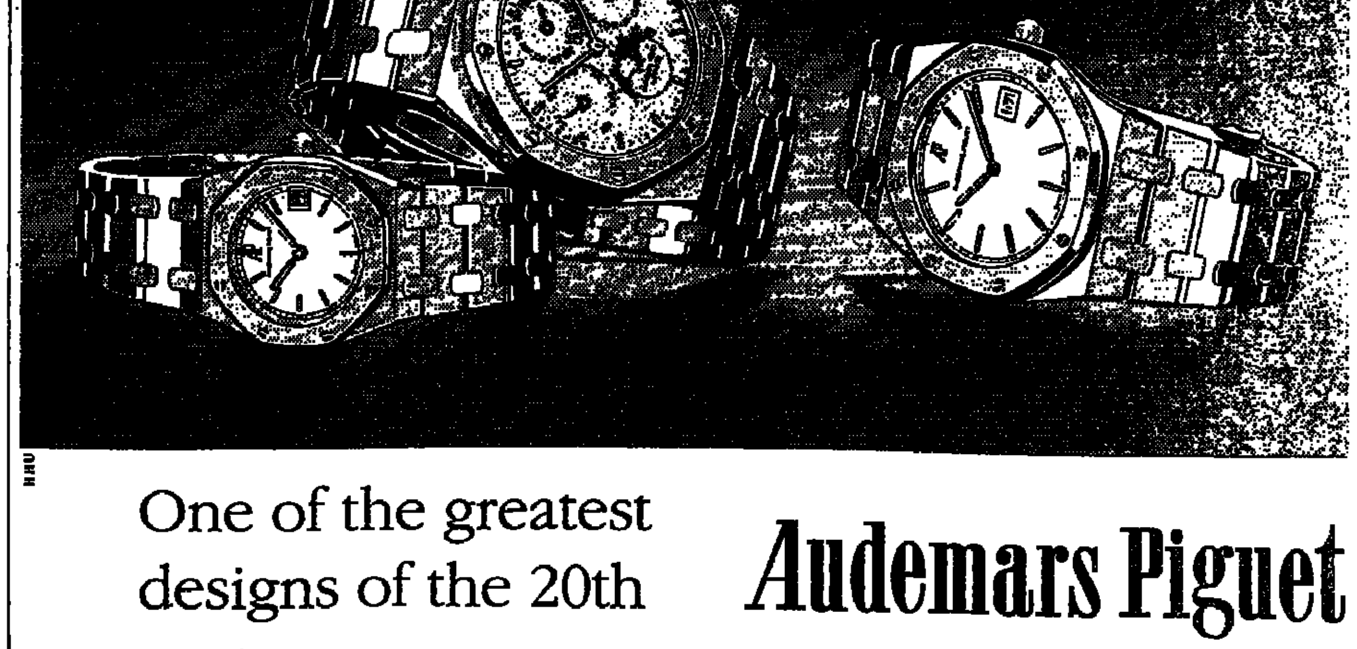

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Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

U.S. Futures

Via The Associated Press

June 12

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum- dollars per bushel							
4.22	3.27	Jul	3.88½	3.90½	3.88	3.88½	+.02
4.29	3.50½	Sep	3.95½	3.97½	3.95¼	3.96¼	+.02¼
4.40½	3.78	Dec	4.08	4.11	4.08	4.09¼	+.02
4.43	4.03½	Mar	4.14	4.15½	4.14	4.15¼	+.01¼
4.32	3.98	May	4.05	4.05	4.02	4.04	+.02
3.85	3.65	Jul	3.71	3.72	3.69	3.69¼	—.01¼
Est. Sales		Prev. Sales 1,334					
Prev. Day Open Int. 49,480 up 846							
CORN (CBT) 5,000 bu minimum- dollars per bushel							
3.60	2.73	Jul	2.50	2.51¾	2.49	2.49½	—.02¼
3.17¾	2.36	Sep	2.35½	2.38	2.34¼	2.36¼	+.00¼
2.95	2.31½	Dec	2.30¼	2.35½	2.30¼	2.33¼	+.01
2.86½	2.39¼	Mar	2.38½	2.43¼	2.38½	2.41¼	+.01¼
2.87½	2.43½	May	2.42¼	2.47½	2.42½	2.46¼	+.02
2.84	2.44½	Jul	2.44½	2.48½	2.44½	2.46¼	+.01¼
2.55	2.34	Sep	2.38¼	2.40½	2.38¼	2.40½	+.04
2.43	2.31½	Dec	2.34½	2.39	2.34¼	2.38	+.04
Est. Sales		Prev. Sales 28,224					
Prev. Day Open Int. 160,462 up 186							
SOYBEANS (CBT) 5,000 bu minimum- dollars per bushel							
9.86	6.88¼	Jul	6.97	7.00½	6.89	6.93	—.05½
9.51	6.72½	Aug	6.69	6.69	6.62	6.62½	—.11¼
8.35	6.36	Sep	6.33½	6.34½	6.27	6.29¼	—.08¼
7.93	6.20	Nov	6.20	6.23½	6.14	6.18	—.07
7.67	6.38½	Jan	6.24	6.32	6.24	6.27	—.09¼
7.74	6.42½	Mar	6.36	6.41	6.35	6.36½	—.09½
7.78	6.47	May	6.41	6.48	6.41	6.45	—.08½
6.69	6.48	Jul	6.42	6.48	6.42	6.45	—.09½
6.48	6.48	Aug				6.46½	—.02½
6.30	6.30	Sep				6.28½	—.02½
6.60	6.15	Nov	6.18	6.20	6.15	6.18½	—.02½
Est. Sales		Prev. Sales 38,397					
Prev. Day Open Int. 96,849 off 1,302							
SOYBEAN MEAL (CBT) 100 tons- dollars per ton							
300.00	203.50	Jul	203.00	203.50	201.30	201.70	—2.70
298.00	198.00	Aug	197.00	197.00	195.80	196.00	—2.50
284.00	191.50	Sep	191.00	191.00	189.50	189.70	—2.50
280.00	184.50	Oct	185.50	186.50	184.00	184.70	—2.00
260.00	183.00	Dec	185.50	185.80	183.50	184.40	—2.70
230.00	183.50	Jan	185.00	186.00	184.50	184.50	—2.50
249.20	183.00	Mar	185.50	186.50	184.00	184.30	—2.90
230.50	182.00	May	184.00	184.00	184.00	183.50	—2.20
187.00	183.00	Jul				183.50	—.50
Est. Sales		Prev. Sales 13,951					
Prev. Day Open Int. 64,868 up 638							
SOYBEAN OIL (CBT) 60,000 lbs- dollars per 100 lbs.							
32.50	20.35	Jul	20.35	20.35	19.97	20.01	—.37
32.05	20.56	Aug	20.55	20.55	20.20	20.20	—.39
29.50	20.75	Sep	20.63	20.70	20.40	20.42	—.36
28.80	20.95	Oct	20.72	20.85	20.55	20.56	—.31
28.05	21.18	Dec	21.15	21.20	20.88	20.89	—.31
25.45	21.30	Jan	21.25	21.39	21.00	21.02	—.30
25.85	21.72	Mar	21.70	21.70	21.45	21.45	—.27
24.05	21.95	May	21.82	21.82	21.66	21.66	—.29
25.80	21.90	Jul	21.78	21.78	21.78	21.77	—.10
23.90	22.35	Aug	21.80	21.80	21.80	21.77	—.10
Est. Sales		Prev. Sales 13,171					
Prev. Day Open Int. 78,671 up 1,106							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.- cents per lb.							
73.90	48.15	Jun	69.95	70.45	69.82	70.22	+.40
73.80	65.00	Aug	69.05	69.45	68.95	69.05	
73.15	66.30	Sep	70.30	70.30	69.60	69.60	+.80
74.11	68.20	Oct	71.50	72.02	71.32	71.62	+.20
73.95	62.00	Dec	71.57	72.35	71.50	71.90	+.18
73.60	69.80	Feb	71.80	72.22	71.72	72.00	+.10
74.00	70.80	Apr	72.47	72.77	72.47	72.62	+.30
72.35	69.75	Jun	71.10	71.30	70.70	71.30	+.30
Est. Sales 18,100		Prev. Sales 23,962					
Prev. Day Open Int. 70,563 up 633							
FEEDER CATTLE (CME) 44,000 lbs.- cents per lb.							
83.30	75.65	Aug	80.15	81.10	80.07	80.67	+.72
83.10	75.58	Sep	80.10	81.15	80.10	80.72	+.72
83.00	75.90	Oct	80.10	81.10	80.10	80.70	+.73
83.50	76.60	Nov	80.65	81.75	80.55	80.98	+.35
83.75	77.30	Jan	80.70	81.70	80.70	81.40	+.70
80.00	77.40	Mar	80.05	80.65	80.05	80.65	+.40
78.98	78.90	Apr	79.95	79.95	79.95	80.00	+.50
Est. Sales 3,689		Prev. Sales 2,559					
Prev. Day Open Int. 13,101 up 26							
HOGS (CME) 30,000 lbs.- cents per lb.							
56.25	42.50	Jun	47.75	48.25	47.60	48.20	+.30
54.00	45.30	Jul	47.10	47.60	46.85	47.52	+.32
51.00	43.25	Aug	45.27	45.80	45.10	45.70	+.48
47.00	40.80	Oct	41.80	42.20	41.72	42.02	+.15
47.25	38.75	Dec	44.15	44.40	43.97	44.37	+.07
47.40	43.70	Feb	45.90	46.15	45.75	45.92	+.02
45.10	42.77	Apr	43.50	43.50	43.30	43.70	+.20
48.05	46.40	Jun	47.15	47.40	47.15	47.40	+.15
Est. Sales		Prev. Sales 4,750					
Prev. Day Open Int. 27,462 off 404							
PORK BELLIES (CME) 40,000 lbs.- cents per lb.							
64.50	28.95	Jul	32.00	33.70	31.70	33.60	+1.65
58.20	29.30	Aug	31.92	33.40	31.70	33.42	+1.50
61.60	42.00	Feb	47.25	48.25	47.00	47.95	+.65
60.00	42.00	Mar	46.60	46.60	46.60	47.20	+.40
60.90	46.85	May				48.60	+.40
60.90	47.15	Jul				49.00	
55.80	46.05	Aug				47.80	
Est. Sales 6,224		Prev. Sales 4,975					
Prev. Day Open Int. 26,441 off 126							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.- cents per lb.							
185.25	114.00	Jul	128.00	128.80	124.05	124.84	—5.05
152.90	114.00	Sep	124.00	124.40	119.00	119.75	—6.22
149.50	114.25	Dec	121.99	121.99	117.53	117.53	—6.00
146.00	114.75	Mar	121.50	121.75	117.20	117.20	—6.00
124.50	116.00	May	121.00	121.00	120.50	116.00	—6.00
132.25	115.00	Jul	119.00	119.00	119.00	119.00	—2.00
120.00	117.00	Sep				115.75	—3.75
Est. Sales		Prev. Sales 4,703					
Prev. Day Open Int. 24,753 off 345							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.- cents per lb.							
13.40	8.10	Jul	11.57	11.82	11.48	11.81	+.24
13.30	8.45	Oct	11.58	11.82	11.53	11.80	+.15
12.35	8.00	Jan				11.12	+.15
12.10	8.75	Mar	11.21	11.41	11.17	11.40	+.12
12.05	9.20	May	11.20	11.35	11.13	11.32	+.11
12.60	10.55	Jul	11.16	11.33	11.16	11.28	+.15
11.90	10.40	Oct	11.22	11.27	11.22	11.22	+.29
Est. Sales 17,048		Prev. Sales 26,831					
Prev. Day Open Int. 155,553 off 96							
COCOA (NYCSCE) 10 metric tons- $ per ton							
1895	1120	Jul	1155	1172	1143	1168	—9
1850	1127	Sep	1200	1208	1182	1205	—7
1735	1133	Dec	1223	1230	1216	1236	—2
1535	1133	Mar	1235	1245	1225	1244	—8
1465	1138	May	1240	1240	1239	1254	—1
1335	1154	Jul	1250	1250	1250	1273	—1
1306	1180	Sep	1276	1283	1263	1289	—1
Est. Sales 4,140		Prev. Sales 4,906					
Prev. Day Open Int. 44,448 off 214							
ORANGE JUICE (NYCE) 15,000 lbs.- cents per lb.							
195.00	132.00	Jul	175.80	175.80	169.25	173.30	—3.85
187.75	132.00	Sep	165.05	165.05	162.00	163.85	—2.50
179.50	129.00	Nov	153.50	154.25	151.25	153.70	—1.30
173.00	127.50	Jan	151.50	151.50	148.10	150.25	—1.50
171.30	127.75	Mar	150.25	150.25	149.00	149.45	—1.50
169.00	151.00	May				148.90	—1.85
		Jul				148.90	—1.85
160.00	160.00	Sep				148.90	—1.85
		Nov				148.90	—1.85
Est. Sales 2,000		Prev. Sales 2,064					
Prev. Day Open Int. 9,897 up 139							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
COPPER (COMEX) 25,000 lbs.- cents per lb.							
137.70	106.10	Jun	108.00	108.00	108.00	108.05	—2.20
138.50	73.70	Jul	110.10	110.50	107.60	108.65	—2.40
		Aug				107.75	—2.30
131.50	74.00	Sep	108.00	108.30	106.80	106.90	—2.20
124.00	77.45	Dec	106.20	106.20	104.30	105.00	—1.60
Est. Sales 7,300		Prev. Sales 8,505					
Prev. Day Open Int. 28,394 off 180							
ALUMINUM (COMEX) 40,000 lbs.- cents per lb.							
		Jun				88.25	—2.00
104.00	83.00	Jul	86.00	86.00	86.00	84.75	—2.00
		Aug				85.25	—2.00
104.00	82.50	Sep				83.25	—2.00
98.50	82.00	Dec				81.00	—1.50
82.50	82.50	Jan				81.50	—1.50
87.00	87.00	Mar				81.50	—1.50
		May				81.50	—1.50
95.50	95.50	Jul				81.50	—1.50
		Sep				81.50	—1.50
		Dec				81.50	—1.50
		Jan				81.50	—1.50
		Mar				81.50	—1.50
Est. Sales		Prev. Sales 2					
Prev. Day Open Int.							
SILVER (COMEX) 5,000 troy oz.- cents per troy oz.							
589.0	517.0	Jun	515.2	520.0	518.0	520.2	+4.0
985.0	512.0	Jul	522.0	527.0	519.5	523.0	+4.0
		Aug				527.5	+4.0
861.0	522.0	Sep	532.5	536.0	528.5	532.1	+4.0
886.0	532.0	Dec	545.0	548.0	541.5	544.2	+3.9
815.0	535.0	Jan				547.6	+3.8
918.0	547.5	Mar	555.5	560.0	553.0	555.7	+3.7
910.0	558.0	May	563.0	566.0	562.0	563.8	+3.5
761.5	566.0	Jul	578.0	575.0	569.0	572.1	+3.3
760.0	585.0	Sep	581.0	581.0	580.0	580.4	+3.3
742.0	582.0	Dec	589.0	591.0	589.0	592.3	+3.1
688.0	596.0	Jan				596.1	+3.1
665.0	603.0	Mar	601.0	605.0	601.0	604.6	+3.1
Est. Sales 15,000		Prev. Sales 20,487					
Prev. Day Open Int. 84,021 off 3,116							
PLATINUM (NYME) 50 troy oz.- dollars per troy oz.							
647.50	478.00	Jul	486.00	491.00	484.50	488.40	+2.70
609.00	479.00	Oct	488.50	493.00	487.00	490.20	+2.50
601.50	483.50	Jan	491.00	492.60	489.00	491.30	+2.10
557.50	491.00	Apr	495.00	495.00	495.00	494.80	+2.10
514.00	514.00	Jul				498.00	+2.10
Est. Sales 3,079		Prev. Sales 8,496					
Prev. Day Open Int. 21,813 up 1,204							
PALLADIUM (NYME) 100 troy oz- dollars per oz							
184.00	114.00	Jun	158.00	160.00	158.00	157.05	+1.05
180.00	116.00	Sep	151.75	155.50	150.60	152.55	+.75
177.50	120.50	Dec	150.00	151.00	149.90	149.05	+.75
176.00	123.00	Mar	146.00	148.50	146.00	146.05	+.75
175.00	140.75	Jun	145.00	145.00	145.00	143.55	+.75
149.00	141.00	Sep				141.55	+.75
Est. Sales 466		Prev. Sales 695					
Prev. Day Open Int. 9,276 up 86							
GOLD (COMEX) 100 troy oz.- dollars per troy oz.							
570.00	356.50	Jun	359.50	363.00	359.50	361.90	+3.80
		Jul				363.30	+3.80
575.00	360.50	Aug	363.00	367.00	362.80	365.80	+3.80
575.50	365.00	Oct	367.20	370.50	366.50	369.40	+3.90
514.50	367.50	Dec	370.50	374.60	370.00	373.50	+4.10
516.00	374.50	Feb	374.60	377.80	374.60	377.30	+4.20
525.60	378.00	Apr	377.50	380.50	377.50	381.30	+4.30
497.00	381.00	Jun	384.50	386.00	384.50	385.30	+4.40
487.00	384.50	Aug	389.00	389.00	389.00	389.30	+4.50
472.00	391.00	Oct	391.50	391.50	391.50	393.40	+4.50
455.50	395.50	Dec				397.40	+4.50
450.00	397.50	Feb				401.50	+4.50
		Apr				405.60	+4.50
Est. Sales 45,000		Prev. Sales 89,183					
Prev. Day Open Int. 167,891 off 226							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million- pts of 100 pct.							
93.48	90.48	Jun	92.95	92.95	92.95	92.96	—.11
93.13	90.41	Sep	92.73	92.74	92.65	92.68	—.04
92.97	90.50	Dec	92.98	92.98	92.88	92.98	—.06
93.00	90.75	Mar	93.07	93.07	92.97	92.97	—.05
92.90	91.28	Sep	92.83	92.83	92.83	92.84	—.11
Est. Sales		Prev. Sales 5,794					
Prev. Day Open Int. 20,033 off 517							
10 YR. TREASURY (CBT) $100,000 prin- pts & 32nds of 100 pct							
98-22	89-9	Jun	98-23	98-26	98-9	98-14	—7
98-31	89-13	Sep	98-30	99-16	98-15	98-20	—8
99-1	91-17	Dec	99-7	99-18	98-22	98-24	—8
96-8	95-17	Mar				98-26	—7
Est. Sales		Prev. Sales 43,197					
Prev. Day Open Int. 81,857 up 717							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
96-28	73-11	Jun	97	97-25	96-16	96-28	+1
96-26	72-26	Sep	97-25	97-25	96-14	96-26	+1
96-19	72-18	Dec	96-28	97-19	96-9	96-20	+1
96-13	72-1	Mar	97	97-8	96-4	96-13	
96-6	75	Jun	96-30	96-30	95-29	96-5	—1
95-30	79-1	Sep	96-24	96-24	95-26	95-28	—2
95-21	80	Dec	95-22	95-26	95-19	95-19	—2
95-12	79-21	Mar	95-14	95-17	95-10	95-10	—2
95-4	82-18	Jun	95-30	96-1	95-1	95-1	—3
91-23	86-4	Sep				94-25	—3
93	88-18	Dec				94-17	—3
Est. Sales		Prev. Sales 472,813					
Prev. Day Open Int. 334,622 up 34,543							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
95-12	77-4	Jun	95-16	95-16	95-3	95-4	—11
98-2	78-6	Sep	95-10	95-10	94-24	94-28	—15
94-17	81-30	Dec	94-17	94-17	94-5	94-8	—14
94-2	85-19	Mar	94-2	94-2	93-22	93-26	—6
93-21	87-2	Jun	93-19	93-19	93-12	93-13	—6
Est. Sales		Prev. Sales 9,444					
Prev. Day Open Int. 10,599 up 984							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.12	88.74	Jun	90.85	90.85	90.80	90.81	—.04
91.92	88.70	Sep	91.43	91.44	91.35	91.38	—.06
91.76	88.86	Dec	91.55	91.59	91.45	91.51	—.08
91.72	88.90	Mar	91.68	91.73	91.57	91.58	—.07
91.63	88.82	Jun	91.62	91.63	91.51	91.51	—.06
91.56	88.74	Sep	91.53	91.55	91.41	91.41	—.04
91.45	89.50	Dec	91.37	91.41	91.30	91.30	—.03
91.42	89.96	Mar	91.40	91.40	91.30	91.30	—.03
91.35	89.81	Jun	91.31	91.33	91.31	91.31	—.02
91.38	90.04	Sep	91.26	91.27	91.25	91.27	—.02
91.25	90.04	Dec	91.19	91.21	91.18	91.20	—.02
91.29	90.09	Mar	91.21	91.24	91.21	91.23	—.02
Est. Sales		Prev. Sales 329,375					
Prev. Day Open Int. 786,011 up 27,945							
BRITISH POUND (IMM) $ per pound- 1 point equals $0.0001							
1.8370	1.5446	Jun	1.5200	1.5324	1.5200	1.5260	—206
1.7754	1.5250	Sep	1.5086	1.5134	1.5014	1.5044	—216
1.7400	1.5050	Dec	1.4950	1.4950	1.4850	1.4864	—234
1.5380	1.4950	Mar	1.4740	1.4740	1.4740	1.4740	—202
1.6750	1.4800	Jun	1.4600	1.4600	1.4600	1.4612	—206
Est. Sales		Prev. Sales 13,357					
Prev. Day Open Int. 29,784 up 399							
CANADIAN DOLLAR (IMM) $ per dlr.- 1 point equals $0.0001							
.8440	.7670	Jun	.8315	.8326	.8301	.8321	+2
.8396	.7940	Sep	.8252	.8265	.8239	.8261	+2
.8370	.7920	Dec	.8200	.8210	.8200	.8213	+2
.8310	.7890	Mar	.8170	.8170	.8170	.8175	+2
.8290	.8080	Jun	.8150	.8150	.8150	.8141	+2
Est. Sales		Prev. Sales 9,560					
Prev. Day Open Int. 28,907 up 914							
FRENCH FRANC (IMM) $ per franc- 1 point equals $0.00001							
.14170	.14620	Jun	.14600	.14600	.14600	.14600	—105
.14050	.14660	Sep	.14610	.14610	.14610	.14610	—100
.16105	.14690	Dec	.14620	.14620	.14620	.14620	—110
Est. Sales		Prev. Sales 8					
Prev. Day Open Int. 154 up 2							
GERMAN MARK (IMM) $ per mark- 1 point equals $0.0001							
.5975	.4960	Jun	.4921	.4968	.4921	.4948	—32
.5977	.4980	Sep	.4949	.4984	.4949	.4972	—32
.5825	.5013	Dec	.4963	.4995	.4963	.4988	—33
.5083	.5035	Mar	.5000	.5000	.5000	.5005	—33
Est. Sales		Prev. Sales 47,114					
Prev. Day Open Int. 82,564 up 580							
JAPANESE YEN (IMM) $ per yen- 1 point equals $0.000001							
.008485	.006833	Jun	.006725	.006744	.006707	.006738	—98
.008580	.006895	Sep	.006780	.006810	.006773	.006803	—98
.008650	.006956	Dec	.006838	.006865	.006830	.006861	—91
.008328	.007010	Mar	.006900	.006900	.006890	.006917	—90
Est. Sales		Prev. Sales 54,803					
Prev. Day Open Int. 94,584 up 4,840							
SWISS FRANC (IMM) $ per franc- 1 point equals $0.0001							
.7130	.5569	Jun	.5686	.5736	.5675	.5728	—2
.7210	.5590	Sep	.5784	.5763	.5700	.5753	—2
.6350	.5850	Mar	.5796	.5796	.5795	.5824	—18
.6592	.5600	Dec	.5720	.5785	.5715	.5780	—2
Est. Sales		Prev. Sales 34,806					
Prev. Day Open Int. 40,703 off 234							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.- $ per 1,000 bd. ft.							
194.00	167.10	Jul	183.00	184.30	181.90	183.60	+1.10
194.70	175.10	Sep	186.10	187.50	185.10	187.10	+1.50
190.60	176.30	Nov	183.30	184.80	182.70	184.20	+.90
192.00	181.20	Jan	187.50	189.20	187.30	189.10	+1.20
191.80	185.00	Mar	190.90	191.30	190.30	191.00	+.30
194.00	188.00	May	194.00	194.20	193.30	193.80	—.20
195.80	177.50	Jul	195.80	196.00	195.70	196.00	—.10
Est. Sales 1,331		Prev. Sales 1,308					
Prev. Day Open Int. 7,428 up 122							
COTTON 2 (NYCE) 50,000 lbs.- cents per lb.							
68.50	49.36	Jul	65.85	66.95	65.40	66.95	+2.00
69.25	50.35	Oct	66.50	68.30	66.45	68.30	+2.00
69.45	50.75	Dec	66.75	68.41	66.45	68.41	+2.00
70.20	53.60	Mar	67.85	69.40	67.70	69.40	+2.00
70.50	56.90	May	69.50	69.90	69.45	69.83	+1.95
70.50	63.70	Jul				69.95	+1.90
69.95	63.95	Oct	66.65	67.50	66.65	67.60	+2.00
Est. Sales		Prev. Sales 5,755					
Prev. Day Open Int. 27,327 off 341							
HEATING OIL (NYME) 42,000 gal- cents per gal							
53.80	34.75	Jul	46.00	46.40	45.20	45.50	—1.53
54.00	35.45	Aug	46.80	47.10	45.75	45.85	—1.36
54.50	36.25	Sep	47.60	47.60	46.50	46.50	—1.36
54.90	37.20	Oct	48.20	48.35	47.40	47.50	—1.46
55.50	38.60	Nov	49.00	49.10	48.10	48.10	—1.59
54.05	39.00	Dec	50.00	50.00	48.80	48.80	—1.64
54.00	46.60	Jan	49.95	49.95	49.20	49.30	—1.39
52.90	48.86	Feb	49.50	49.76	49.10	49.10	—.94
51.35	47.30	Mar	47.50	47.70	47.50	47.50	—.94
Est. Sales		Prev. Sales 17,120					
Prev. Day Open Int. 44,501 up 1,371							
CRUDE OIL (NYME) 1,000 bbl.- dollars per bbl.							
20.58	12.65	Jul	19.48	19.48	19.22	19.25	—.63
19.78	12.60	Aug	18.52	18.49	18.22	18.25	—.60
19.33	12.68	Sep	18.15	18.15	17.75	17.76	—.65
19.08	12.75	Oct	17.75	17.95	17.50	17.51	—.65
18.85	15.00	Nov	17.57	17.62	17.35	17.36	—.48
54.28	13.40	Dec	17.45	17.55	17.31	17.31	—.48
18.49	15.67	Jan	17.36	17.36	17.05	17.17	—.46
18.40	15.74	Feb	17.31	17.31	17.02	17.11	—.44
18.27	16.10	Mar	17.21	17.21	17.04	17.04	—.42
18.10	16.30	Apr	17.05	17.05	17.05	17.00	—.37
18.00	16.26	May	17.00	17.00	16.85	16.85	—.44
18.03	16.60	Jun	16.75	16.75	16.75	16.75	—.47
17.90	16.70	Jul	16.70	16.70	16.70	16.70	—.46
Est. Sales		Prev. Sales 76,075					
Prev. Day Open Int. 237,397 up 2,561							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
328.45	263.80	Jun	326.00	326.90	323.90	326.80	—.90
332.95	271.50	Sep	330.00	331.40	328.00	331.55	—.95
336.45	298.90	Dec	333.20	334.80	332.50	335.25	—.95
340.65	331.00	Mar	337.70	337.70	337.70	339.50	—.90
Est. Sales		Prev. Sales 59,911					
Prev. Day Open Int. 147,464 up 182							
VALUE LINE (KCBT) points and cents							
290.10	245.70	Jun	289.50	290.00	287.75	290.00	+.35
294.60	264.20	Sep	294.00	294.70	292.45	294.70	+.20
289.00	271.00	Dec	297.00	298.70	294.50	298.70	+.20
293.35	293.00	Mar	301.00	302.00	301.00	302.00	—.50
Est. Sales		Prev. Sales 464					
Prev. Day Open Int. 1,762 up 184							
NYSE COMP. INDEX (NYFE) points and cents							
183.40	149.60	Jun	182.00	182.55	180.85	182.40	—.40
185.55	153.00	Sep	184.20	184.80	183.10	184.45	—.40
187.30	161.30	Dec	184.00	186.90	185.90	186.85	—.40
189.00	170.20	Mar				189.05	—.40
Est. Sales 518		Prev. Sales 9,012					
Prev. Day Open Int. 7,477							

Commodity Indexes

	Close	Previous
Moody's	1,074.40 f	1,073.80 f
Reuters	2,013.50	1,995.60
D.J. Futures	N.A.	131.10
Com. Research	N.A.	229.02

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Currency Options

June 12

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Jun	Jul	Sep	Puts—Last Jun	Jul	Sep
50,000 Australian Dollars-cents per unit.							
ADollr	70	r	r	r	r	r	0.96
74.03	71	r	r	r	r	r	1.31
74.03	72	r	r	r	r	0.63	1.60
74.03	73	r	r	r	r	0.95	r
74.03	74	r	1.00	r	r	r	r
74.03	75	0.12	r	r	r	r	3.33
74.03	77	0.04	r	r	r	r	r
31,250 British Pounds-cents per unit.							
BPound	147½	r	r	r	r	r	2.75
152.74	150	r	r	r	0.25	1.70	r
152.74	152½	r	2.60	r	1.00	3.05	r
152.74	155	0.55	1.65	2.55	3.00	4.70	6.70
152.74	157½	0.20	0.95	1.90	5.15	r	r
152.74	160	0.07	r	1.25	7.35	r	r
152.74	162½	r	r	r	9.85	r	r
152.74	165	r	r	0.65	12.60	r	14.70
31,250 British Pounds-European Style.							
152.74	160	r	r	1.25	r	r	r
50,000 Canadian Dollars-cents per unit.							
CDollr	82	r	r	1.16	r	r	0.55
83.23	82½	r	r	r	r	r	0.74
83.23	83	0.22	r	r	0.15	0.51	r
83.23	83½	r	r	0.45	r	r	r
83.23	84	r	r	0.30	0.67	r	r
83.23	84½	r	r	0.19	r	r	r
50,000 Canadian Dollars-European Style.							
CDollar	82	1.14	r	r	r	r	r
83.23	82½	r	0.65	r	r	0.24	r
83.23	83	0.23	0.37	r	0.16	r	r
62,500 West German Marks-cents per unit.							
DMark	46	r	r	r	r	0.10	0.30
49.48	48	2.37	r	r	0.01	0.20	3.24
49.48	48	r	1.85	r	0.09	0.36	0.69
49.48	49	0.45	1.17	1.65	0.21	0.68	0.98
49.48	50	0.20	0.72	1.19	0.67	1.14	1.50
49.48	51	0.05	0.39	0.76	1.78	1.99	2.06
49.48	52	0.01	0.18	0.51	2.50	2.64	2.83
49.48	53	0.01	0.10	0.32	3.70	3.64	r
49.48	54	0.01	0.05	r	r	r	4.82
49.48	55	r	0.03	r	r	r	r
49.48	56	r	r	0.08	r	r	r
6,250,000 Japanese Yen-100ths of a cent per unit.							
JYen	65	r	r	r	0.06	0.40	0.75
67.29	66	1.54	r	r	0.20	0.52	1.30
67.29	67	0.76	1.50	r	0.42	0.96	r
67.29	68	0.30	0.98	r	1.08	1.51	1.83
67.29	69	0.10	0.68	r	1.70	2.09	2.50
67.29	70	0.03	0.37	0.89	2.74	2.85	3.10
67.29	71	r	0.23	0.46	3.65	3.85	3.88
67.29	72	r	r	r	4.74	r	4.77
67.29	73	r	0.06	0.34	r	r	r
67.29	74	r	r	0.22	r	r	6.75
67.29	75	r	r	0.12	r	r	7.65
68.21	88	r	r	s	r	0.10	s
62,500 Swiss Francs-cents per unit.							
SFranc	54	r	r	r	r	0.28	r
57.26	55	r	r	r	0.05	0.32	0.84
57.26	56	r	r	2.03	0.20	0.66	1.00
57.26	57	0.50	1.11	r	0.53	1.04	1.42
57.26	58	0.23	r	r	1.10	1.75	2.08
57.26	59	0.07	0.58	0.88	r	r	2.65
57.26	60	r	r	0.62	r	r	3.59
57.26	61	r	0.21	0.38	r	r	r
57.26	62	r	r	0.35	r	r	r
57.26	63	r	r	0.26	r	r	r
62,500 Swiss Francs-European Style.							
57.26	60	r	r	r	2.95	r	r

Total call vol. 24,298 Call open int. 671,459
Total put vol. 58,814 Put open int. 515,777
r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

NYSE Highs-Lows

NEW HIGHS 119

Acme Clev	Alreos	AlaP 816pf	AlaskaAir
Albanyint	AlInCapMIn n	AmBrands	AngelIRE
ApPw 740pf	AppleBk	ArchDnM	AydinCp s
Benefl Cp	Berksh Hath	Broadinc pl	CDI Cp s
CNW Cp	CNW pf	CRS Sirrine	CSX Cp
CalFedIP	CarePwLt	ChasMnh 675	ChasMn pfG
CinG 475pf	CinG 744pf	CinG 928pf	Comw Edis
CwE 190pr	CwE 724pr	ConEd 465pf	ConEd 5pfA
CnPw 745pf	CnPw 776pf	CromptnKn	DaytPL pfD
DaytPL pfE	DiGlorgio	Donnelley	DravoCp
DukeP pfG	DukeP pfK	DuqLt 187pf	DynaCp Am
Eastn Util	Endesa n	Enron	Enron cv pfJ
FtBk5v pf	GF Corp	GenMills	GenRecorp
Glented	GrtAmFst	GlfSU 440pl	Intpub
IowaIll GE	IowaRsc	JerCenP 8pf	KnightRid
Lockheed	MNC Fncl	Mapco s	McDermInt
MetE 390pf	MetE 812pf	MetEd pfH	MinnPL
MiteiCp	Mont Pow	MooreCorp	NWA Inc
NorfikSou	NSPw 880pf	NoSPw 7pf	NuvCalMuIn
OhPw 76pfC	PNC Fncl	PacifiCorp	PaPL 440pf
PaPL 870pr	PhEl 785pf	PhEl 950pf	PligRepBk n
PortGenCp	Premrind	ProctGamb	PSvCol 715p
PSEG 408pf	PSEG 430pf	PSEG 505pf	PSEG 816pf
PSEG 752pf	viRadice	Rykoff s	SallieMae wi
Shawind s	ShawmutNII	Shoneys	StoneWeb
SunElec	TCF Fin	TW Svcs	Tenneco
Tex Util	TimeInc	TolEd 236pf	TolEd adjpfA
Transco pf	Tri Cont	UNUM	UnEl 456pf
UnEl 640pf	UAM	USLIFE Inc	UtilCo 177p
VaEP 720pf	Walgreen	WillcxGb	

NEW LOWS 11

BancoSant	BenetonGp n	CML Gp	C3 Inc wd
CrossldSv pf	EquitecFn	Matsush El	NatEdu
Pirtinv	PutnamHYM n	Quantum	

The Daily Source for International Investors.

Herald Tribune

Floating-Rate Notes

June 12

Dollars

Issuer/Mat.	Coupon	Next	Bid	Askd
Cba Perp New	10.06	22-08	99.91	100.01
World Bank Jun 89	8.885	15-06	97.00	100.00
Bk Greece Mar 99	10¾	08-09	99.80	99.90
Alberta 93	9.094	-	100.10	100.20
Alb Perp	9⅝	22-11	88.50	89.50

Pounds Sterling

Issuer/Mat.	Coupon	Next	Bid	Askd
Srl Mort Notes No1	13.34	20-06	99.95	100.10

Deutsche Marks

Issuer/Mat.	Coupon	Next	Bid	Askd
Dresdner Fin 94/99	6.594	28-07	99.50	100.00

Japanese Yen

Issuer/Mat.	Coupon	Next	Bid	Askd
Cnl 97 Yen	-	-	100.00	100.50
Cr Foncier Aug97 Yen	4⅝	30-08	100.18	100.60

E.C.U.

Issuer/Mat.	Coupon	Next	Bid	Askd
Belgium May 99	8.781	11-08	99.90	100.00
Roma 92 (Ecu)	8⅝	08-08	99.75	100.15
Cr Foncier 96 (Ecu)	8.8	18-07	99.87	100.12
Ireland 97 (Ecu)	9	30-10	99.50	100.00
Italy 92 Ecu	8⅝	30-06	99.95	100.15
Ppcorp 19Sept 97 Ecu	9	21-08	99.12	99.62
Sbaboin Perp Ecu	7⅝	-	94.80	96.00

Source : Credit Suisse-First Boston Ltd. London

INTERNATIONAL MANAGER

BY SHERRY BUCHANAN. IN THE IHT EVERY WEDNESDAY. ESSENTIAL READING FOR EXECUTIVES WORKING IN THE INTERNATIONAL MARKETPLACE

London Commodities

June 12

	Close Bid	Ask	High	Low	Previous Bid	Ask
SUGAR U.S. Dollars per metric ton						
Aug	264.60	264.80	265.00	257.40	257.80	259.40
Oct	263.20	263.40	263.80	262.00	258.40	259.00
Dec	257.80	262.00	254.00	254.80	253.20	256.80
Mar	254.40	255.60	253.40	249.00	250.00	250.80
May	253.80	254.20	252.00	248.00	249.80	250.20
Aug	257.80	252.00	N.T.	N.T.	249.20	250.00
Oct	251.80	252.20	250.80	250.20	248.40	249.00
Volume: 3,785 lots of 50 tons.						
COCOA Sterling per metric ton						
Jul	814	817	824	810	816	817
Sep	835	837	841	830	834	835
Dec	890	892	894	885	887	888
Mar	890	895	894	886	886	888
May	892	898	896	890	888	892
Jul	906	912	907	907	901	905
Sep	924	930	924	915	917	918
Volume: 4,049 lots of 10 tons.						
GASOIL U.S. dollars per metric ton						
Jul	138.00	138.25	140.00	138.00	142.75	143.00
Aug	138.00	138.25	140.00	138.00	142.75	143.00
Sep	138.75	139.25	141.25	138.75	143.25	144.75
Oct	N.Q.	141.25	142.50	140.75	145.00	146.00
Nov	141.00	142.00	144.50	141.75	146.75	147.00
Dec	143.25	143.50	145.00	142.75	148.25	149.00
Jan	143.00	146.00	N.T.	N.T.	149.00	149.25
Volume: 6,870 lots of 100 tons.						

Sources: Reuters and London Petroleum Exchange.

Paris Commodities

June 12

	High	Low	Close Bid	Ask	Ch'ge
SUGAR French francs per metric ton					
Aug	2,460	2,443	2,448	2,448	+ 19
Oct	2,265	2,245	2,260	2,262	+ 24
Dec	N.T.	N.T.	2,180	2,200	+ 24
Mar	2,130	N.T.	2,130	2,232	+ 23
May	N.T.	N.T.	2,110	2,122	+ 17
Aug	N.T.	N.T.	2,100	2,122	+ 15
Est. vol.: 652 lots of 50 tons. Prev. actual sales: 3,152 lots. Open interest: 13,734.					
COCOA French francs per 100 kg					
Jly	N.T.	N.T.	870	—	Unch.
Sep	N.T.	N.T.	873	—	Unch.
Dec	N.T.	N.T.	905	—	Unch.
Mar	N.T.	N.T.	905	—	Unch.
May	N.T.	N.T.	905	—	Unch.
Jly	N.T.	N.T.	985	—	Unch.
Sep	N.T.	N.T.	905	—	Unch.
Est. vol.: 0 lots of 10 tons. Prev. actual sales: 0 lots. Open position : 4.					
COFFEE French francs per 100 kg					
Jly	N.T.	N.T.	1,270	—	+ 2
Sep	N.T.	N.T.	1,230	—	— 16
Nov	1,175	N.T.	1,170	1,195	— 30
Jan	N.T.	N.T.	1,160	1,190	— 28
Mar	N.T.	N.T.	1,160	1,190	— 22
May	N.T.	N.T.	1,150	—	— 32
Jly	N.T.	N.T.	1,150	—	— 35
Est. vol.: 20 lots of 5 tons. Prev. actual sales: 5 lots. Open position : 140.					

Source: Bourse de Commerce.

London Metals

June 12

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1875.00	1880.00	1915.00	1925.00
Foward	1826.00	1828.00	1860.00	1865.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1640.00	1642.00	1654.00	1656.00
Forward	1630.00	1631.00	1649.00	1650.00
LEAD Sterling per metric ton				
Spot	440.00	445.00	427.00	428.00
Forward	410.00	411.00	406.00	407.00
NICKEL Dollars per metric ton				
Spot	11700	11800	12500	12550
Forward	11200	11250	11600	11650
SILVER U.S. cents per troy ounce				
Spot	515.00	517.00	537.00	540.00
Forward	518.00	520.00	540.00	543.00
ZINC (High Grade) U.S. Dollars per metric ton				
Spot	1490.00	1500.00	1520.00	1530.00
Forward	1450.00	1455.00	1483.00	1485.00

Source: AP.

S&P 100 Index Options

June 12

Strike Price	Calls-Last Jun	Jly	Aug	Sep	Puts-Last Jun	Jly	Aug	Sep
260	41	—	—	—	—	¹⁄₁₆	⅛	—
265	38	—	—	—	—	⅛	—	—
270	31½	32⅝	—	—	—	¼	1⅛	—
275	26	28	r—	—	⅛	⅜	1⅛	—
280	22½	24½	25	27	⅛	¾	1⅝	2⅜
285	17⅝	20⅝	—	—	⅛	1⅛	2⅛	—
290	12⅝	14⅝	17⅝	—	⅛	2⅛	3⅜	4⅝
295	8	12⅛	13⅝	—	½	3	4½	—
300	4	6⅝	11	—	1⅝	4½	6⅝	7⅝
305	1⅝	5⅛	8	—	—	3⅝	6⅝	8⅝
310	⅜	3⅜	5⅛	7⅝	8⅝	10⅛	11½	—
315	⅜	2	4	—	—	13⅝	14⅝	—
320	—	1⅛	3⅝	4⅝	—	—	—	—

Calls: total volume 93,389; total open int. 316,434
Puts: total volume 98,869; total open int. 454,977
S&P 100 index: High 302.22 low 299.30 close 301.59 —0.59
Source: CBOE.

U.S. Treasuries

June 12

	Discount Bid	Offer	Yield	Prev. Yield
3-month bill	8.20	8.22	8.49	8.49
6-month bill	7.85	7.87	8.20	8.31
1-year bill	8.74	8.76	8.34	8.32
	Bid	Offer	Yield	Prev. Yield
30-yr. bond	108 8/32	108 9/32	8.13	8.15

Source: Salomon Brothers.

Dividends

June 12

Company	Per	Amt	Pay	Rec
USUAL				
Abbot Labs	Q	.25	8-15	7-14
Alaska Air Group	Q	.05	8-4	7-14
Angell Real Estate	Q	.38	7-31	6-30
L&N Housing Corp	Q	.41	6-30	6-19
Meridian Insurance	Q	.05	7-7	6-19

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

Spot Commodities

June 12

Commodity	Today	Prev.
Aluminum, lb	0.8825	0.91
Coffee, lb	1.30	1.33
Copper electrolytic, lb	1.2335	1.185
Iron FOB, ton	213.00	213.00
Lead, lb	0.37	0.37
Printcloth, yd	0.50	0.50
Silver, troy oz	5.245	5.25
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	115.00	115.00
Tin, lb	6.2149	6.2124
Zinc, lb	0.80	0.80

Source: AP.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

June 12

Strike Price	Calls-Settle Jul	Aug	Sep	Puts-Settle Jul	Aug	Sep
46	3.75	—	—	—	0.10	0.22
47	—	—	—	0.10	0.21	0.35
48	—	—	2.56	0.21	0.39	0.59
49	1.20	1.47	1.64	0.48	0.67	0.92
50	0.65	0.87	1.31	0.92	1.15	1.39
51	0.32	0.51	0.73	1.59	1.78	1.99

Est. total vol.: 13,971
Calls: Fri volume: 3,559; open int.: 43,985
Puts: Fri volume: 19,944; open int.: 101,365
Source: CME.

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Less Growth Seen For EC Chemicals

The Associated Press

BRUSSELS — Chemical companies in Western Europe will post slightly slower growth in 1989 after the rapid rise in production last year, the European chemical industry federation, CEFIC, said Monday.

CEFIC said the industry's overall growth rate was expected to slow to 4 percent this year from 6.7 percent in 1988. Exports were expected to rise by 4.5 percent in 1989, compared with growth of 7.6 percent in 1988; imports were set to rise by 6.5 percent, compared with growth of 9.7 percent in 1988.

The federation said the slight decline reflected somewhat weaker growth in the European economy. It also said there was uncertainty about the price of crude oil, a major raw material for the chemical industry.

Talks on Gateway Bid Reportedly Under Way

The Associated Press

LONDON — Kohlberg Kravis Roberts & Co. and A&P, the American food retailer, are discussing a possible friendly bid worth up to £2 billion ($3.1 billion) for the British food retailer Gateway Corp. PLC, sources said Monday.

Gateway is already trying to fight off a £1.87 billion hostile bid from Isosceles PLC, a consortium formed by disgruntled Gateway shareholders. If discussions with A&P, formerly known as Great Atlantic & Pacific Tea Co., and KKR, a U.S.-based leveraged buyout specialist, are successful, an offer likely would be announced later this week, the sources said.

BUSINESS ROUNDUP

Seagate to Buy Control Data Unit

Reuters

SCOTTS VALLEY, California — Seagate Technology Inc., a U.S. maker of computer disk-drives, said Monday that it had agreed to acquire the Imprimis Technology Inc. unit of Control Data Corp. for about $450 million in cash and securities.

Seagate said it would pay $250 million in cash, 10.7 million common shares and $50 million in promissory notes for Imprimis, a maker of data-storage products. The company said it had arranged a $300 million credit agreement to finance the acquisition.

The move is the latest step in a massive restructuring by Control Data designed to cut costs and improve profitability.

In April, the company closed its ETA Systems Inc. supercomputer subsidiary, conceding that it could no longer finance the venture. The company also announced a $350 million one-time charge and plans to cut 3,100 jobs worldwide.

The overall closure of ETA cost Control Data $490 million and left Cray Research Inc. as the only U.S. supercomputer maker.

Last year, losses of more than $100 million in the ETA unit cut Control Data's profit to just $1.7 million, or 3 cents a share.

With the disposal of Imprimis, the company's performance will depend more on its Cyber line of mainframe computers. Cyber mainframes are designed to operate outside of computer rooms and are primarily used for engineering and scientific applications.

The company has said that asset sales will continue and that it will report a profitable second half of 1989.

Seagate said that under the terms of the proposed agreement, it would continue to provide data-storage devices to Control Data for use with its Cyber machines and for military use by its government systems division.

Seagate reported net income of $7.6 million in the second quarter of 1989, down sharply from $22.8 million a year earlier. Revenue increased to $340.3 million from $332.5 million a year earlier.

The company said a definitive agreement was expected to be reached over the next several weeks and would be subject to approval by boards of both companies and regulatory agencies.

Japan Firms May Acquire CSFB Stakes

Reuters

TOKYO — Mitsui Trust & Banking Co. and a number of Japanese life insurers are considering taking stakes in the investment bank CS First Boston Inc., spokesmen for the Japanese companies said.

CS First Boston is a unit of Crédit Suisse and First Boston Inc.

Nippon Life Insurance Co. plans to acquire 1 percent of CSFB, a company spokesman said. However, spokesmen at other Japanese companies named in a report by the business daily Nihon Keizai Shimbun either denied they had made a decision or declined comment.

The daily said seven companies had decided to take a total of 12 percent in CS First Boston: Mitsui Trust, 5 percent; Dai-Ichi Mutual Life Insurance Co., 2 percent; and other life insurers, including Nippon Life and Meiji Mutual Life Insurance Co., 1 percent each.

Total investment by the seven Japanese companies is estimated at around $150 million, it said.

CSFB had asked the Japanese companies to acquire the stakes, one of the spokesmen said.

In May, Metropolitan Life Insurance Co., a major U.S. insurer, said it had bought about 10 percent of the shares in CSFB held by Suliman Saleh Olayan, a Saudi Arabian businessman. Mr. Olayan bought a 30.5 percent stake in October, when First Boston Corp. and Financière Crédit Suisse-First Boston agreed to create the multinational investment banking firm.

Mr. Olayan bought his stake through a bridge-financing vehicle. The firm said at the time that it was negotiating with foreign investors to buy up his stake.

The remaining CSFB shares are 44.5 percent-owned by another Crédit Suisse affiliate, CS Holdings, and 25 percent-owned by management partners of CS First Boston.

Texas Investor Raises Stake in Lockheed

Reuters

WASHINGTON — Groups controlled by Harold C. Simmons, the Texas investor, said Monday that they had raised their holdings in Lockheed Corp. to 6.2 percent and might consider seeking control of the aerospace company.

In a filing with the Securities and Exchange Commission, Mr. Simmons said he had met on May 15 with Lockheed's chairman, Daniel M. Tellep, and its vice chairman, Vincent N. Marafino, to discuss his investment.

A Lockheed spokesman said the meeting was "cordial." He added, "The chairman and Simmons had a general discussion of Lockheed's plans and programs."

The spokesman declined to say whether they discussed possible impediments to any acquisition, such as Lockheed's employee stock option plan and recent asset sales.

In the SEC filing, Mr. Simmons's investment groups said they had no proposals for acquisition of Lockheed or its assets that would require SEC disclosure. But the groups added, "They may consider seeking control of the company in the future."

Mr. Simmons has said in the past that he views Lockheed as a well-managed company and that he expects to be "a constructive long-term shareholder."

Mr. Simmons's Valhi Inc. and NL Industries Inc. bought 1,349,400 additional Lockheed shares between May 15 and June 7 for prices ranging from $47 to $49 a share. Lockheed shares closed Monday at $49.625, up 62.5 cents.

The purchases raised their holdings to 4,383,400 shares of Lockheed's common stock outstanding, the groups said.

Earlier this year, Mr. Simmons had lowered his holdings in Lockheed below the 5 percent level at which he is required to make SEC disclosures.

"I can't imagine Harold Simmons would want to get into the day-to-day management of defense contracts," said George Podrasky Jr., an analyst at Duff & Phelps.

"Lockheed management has been doing a pretty good job," Mr. Podrasky said. "The company is already doing some things to realize shareholder value," such as selling excess real estate and nonstrategic assets, he said. Recent moves by management would make Lockheed less vulnerable to an unwanted takeover, Mr. Podrasky said.

FN May Sell Jet-Engine Unit

The Associated Press

BRUSSELS — Belgium's leading arms maker, Fabrique Nationale d'Armes de Guerre, is selling 51 percent of its jet engine-making subsidiary to SNECMA of France, according to Belgian press reports.

Fabrique Nationale, the military equipment and aeronautics subsidiary of Société Générale de Belgique, would keep a minority stake in the unit, FN Moteurs, while the rest would be held by the regional government of Wallonia.

FN said it would disclose details of the accord on Tuesday.

JAPAN: *In Osaka, Trading in Stock Index Options*

(Continued from first finance page)

tors were buying equities overseas rather than at home, and on Monday the Nikkei Stock Average dropped 241.97 points, to 33,398.01.

The falling market fueled purchases of the new options contracts, which give investors the right, but not the obligation, to buy or sell the basket of 225 stocks in the Nikkei average at a predetermined price within a specified period of time. By the end of the day, Osaka exchange officials said about 150,000 contracts had changed hands.

"It was the perfect day to start because Japanese investors could put the options to immediate use," said Ron Napier, the vice president of equity research at Salomon Brothers Asia Ltd. "These instruments are still unfamiliar in the Japanese market, but they are catching on fast."

In fact, the options trading is the start of a flurry of new financial products scheduled to begin in the next few months. Nearly all of them were virtually unheard of in Japan just a few years ago, even though they have been used in American and European markets for years.

Later this month banks and brokerages will begin trading on the new Tokyo Financial Futures Exchange, dealing in short-term interest-rate futures and other financial indexes.

In the fall, the Tokyo Stock Exchange, growing increasingly worried about its Osaka competitor, will offer options on its 1,100 stock TOPIX index, a broader index that takes in all of the stocks listed in the first section of the Tokyo Stock Exchange. Last month, banks began trading in government-bond futures.

Like most features of Japan's equity markets, the new instruments are intended for the largest institutional traders, not individual investors. Under the rules set by Japan's Ministry of Finance, investors seeking to trade in the new options must put up security of 20 million yen (about $135,000).

"In Japan individual investors are still not sophisticated enough to deal with this, so the ministry has decided that individuals will gradually get access to them later," Mr. Nakamura said.

From the start, Ministry of Finance officials have been nervous about importing American financial inventions. Suggestions that computer-driven investment strategies contributed to the October 1987 stock market collapse led many bureaucrats to worry that new financial instruments would trigger similar problems here. But the crash also underscored the need for ways to hedge investments, something that Japanese investors were previously forced to do abroad, if they did it at all.

If the futures market is any indication, Japanese investors are now increasingly accustomed to "locking in" prices on more than just commodities. An average of 20,000 futures contracts on the Nikkei average are traded each day on the Osaka exchange. That makes it the second-largest financial futures market after the Standard and Poor's 500 trading in Chicago.

Less certain is whether the new instruments are creating much volatility in the Tokyo market. It is hard to tell because the Tokyo market has risen fairly steadily since futures trading began last fall, meaning that few of the hedge techniques have been put of use.

TIME: *Stock Surges on Wall Street Rumor of $215-a-Share Bid by Warner*

(Continued from first finance page)

announced a $175 a share tender offer for Time, which would value Time at $10.7 billion.

Traders and arbitragers have said the Paramount offer made it unlikely that Time and Warner would be able to complete their previously announced merger based on an exchange of stock.

Time shares rose $4.75 on the New York Stock Exchange to $175 apiece.

Warner Communications stock fell $1.375 a share on the exchange to $54.75, while Paramount shares dropped $1.625 to $57.25.

Some arbitragers said Monday, however, that Time's stock could drop to about $100 a share if Time takes defensive measures without compensating shareholders. They said there was little chance that Time's stockholders would approve a merger with Warner unless the terms were sharply altered.

Time's stockholders are to vote on the merger, which involves an exchange of securities amounting to $18 billion, on June 23.

J. Richard Munro, chairman and chief executive of Time, and other directors of the publishing and cable-television giant are said to have met with their advisers Sunday to bring themselves up to date on how the battle would be fought.

Steven J. Ross, chairman and chief executive of Warner, is said to have met with his advisers and senior executives on Saturday to consider his own options in dealing with the Paramount assault on what had been widely promoted in March as a "merger of equals" between Time and Warner.

Although the Time-Warner merger involves an exchange of securities and is therefore not exactly comparable to Paramount's cash offer, a rough comparison suggests that Time stockholders would get $113 a share, or $6.4 billion, from the merger.

In a clear sign that many investors liked the Paramount offer, Time stock soared $47.25 a share last week, to $170.25, with 12.5 million shares changing hands.

Directors of Time and Warner are thought to have been told repeatedly over the weekend that there was no real need to take drastic action or rush into anything because it would take Paramount or anyone else at least eight months to take over Time.

As 82 percent owner of American Television & Communications Corp., a cable company with franchises in hundreds of communities in 32 states, Time has the right to send cable television into each of these towns and cities. Paramount, to get the same privileges, would have to get the approval of each of them all over again, lawyers said.

Time is expected to tell these communities that it has budgeted about $2 billion to improve cable service, which these communities have clamored to get, but that Paramount would be hard-pressed to do the same because of the enormous cost of a takeover.

Unlike Paramount, Warner would not have to get approval from these communities because under the Time-Warner plan, Time is not changing hands, the lawyers added.

Recognizing the problem, Paramount announced Friday that it had hired lawyers in all locations where Time owns or manages big cable operations to review franchises and prepare application papers to transfer them to Paramount.

Martin S. Davis, chairman and chief executive of Paramount, said these were "important steps that need to be taken for Paramount Communications to consummate its offer as quickly as possible."

According to the latest thinking, these are the options that Time and Warner are considering:

- That Time make a cash tender offer for Warner.
- That Warner make a cash tender offer for Time.
- That both proceed with their merger plan.
- That Time make a cash tender offer for Paramount.
- That Time and Warner call off their merger, with Time giving stockholders a big dividend.

On Friday, the Delaware Chancery Court cleared the way for Time and Warner to swap big blocks of stock in each other at any time to protect themselves against takeovers. Chancellor William T. Allen refused to give Paramount a restraining order to block the swap.

(NYT, Reuters, UPI)

ROSS: *Picking Up the Pieces of Warner's Dream Deal*

(Continued from first finance page)

many years, Mr. Ross repeatedly referred to Paramount as Gulf & Western, its former corporate name.

He maintained strongly that he was still "committed both contractually and through conviction to the combination of our companies with Time."

"One way or another," he said, "the deal will be brought to a successful conclusion."

But with his lawyer, Arthur L. Liman, of Paul, Weiss, Rifkind, Wharton & Garrison, at his side during the interview, he virtually acknowledged that the merger as proposed would not go forward.

Shareholders are scheduled to vote on the deal, which involves an exchange of securities amounting to $18 billion, on June 23.

"Maybe you have to settle for less than the American dream," Mr. Ross said. "We want to maintain and salvage the concept of the deal as much as possible."

Still, Mr. Ross, who has historically avoided highly leveraged deals, was careful to avoid committing himself to any specific option.

"If you cannot build, there is no sense in doing something," he said. "I am not opposed to leverage, but I will not engage in overleverage. Overleveraging is the road to disaster."

He subsequently added: "Time-Warner could afford leverage that Time-Paramount could not because Warner is a much larger company. Its market capitalization is 60 percent greater than Paramount's."

Noting that Time is the second-largest U.S. cable television operator, with American Television & Communications Corp., Mr. Ross focused on the financing and regulatory problems that Paramount would face upon entering the cable business.

"Warner had cable cash flow of $180 million," he said, referring to his cable operation's 1988 results. "After capital expenditures, that is about $15 million. Cable has to grow. Whoever acquires Time will have to spend about $250 million in capital expenditures in a major market alone."

He contended that just getting approval from municipalities to transfer ownership of cable franchises could be tougher and more expensive than Paramount anticipated.

"It would normally take six months," Mr. Ross said.

OIL: *North Sea Stake*

(Continued from first finance page)

an important basis for a long-term and expanded commitment in Norway," Statoil said. "The Japanese company will escalate its operations to include development and production in Norway."

Idemitsu already has a share in two exploration licenses on Norway's continental shelf. Norway is Western Europe's second largest crude producer behind Britain, pumping about 1.5 million barrels per day.

Statoil has been troubled by lower oil prices, huge costs overruns at its Mongstad refinery project on Norway's west coast and high debt levels.

The Norwegian legislature has approved Statoil's stated intention to consider swapping or selling some of its North Sea properties.

Last week, the legislature also agreed to convert a 2 billion kroner government loan into equity to strengthen the company's economic and competitive position.

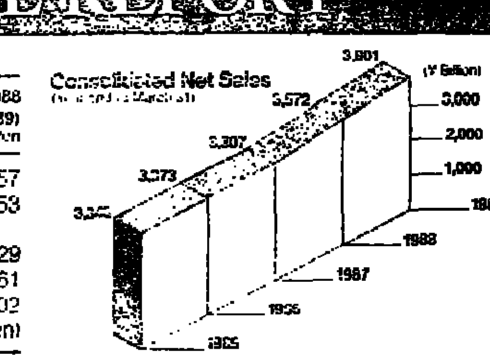
Norway's Snorre field, to be developed using a so-called steel tension-leg oil platform, is expected to yield 122 million cubic meters of oil and 7 billion cubic meters of gas.

(Reuters, IHT)

CONSOLIDATED ANNUAL REPORT

Statement of Income (for the period April 1, 1988 to March 31, 1989) in Millions of Yen

Net sales	3,800,857
Cost of sales	2,584,153
Income before taxes and minority interest	234,829
Income taxes	123,361
Net income	119,402
Net income per share	37.27 (in Yen)



Balance Sheet (March 31, 1989) in Millions of Yen

Assets		Liabilities and Shareholders' Equity	
Cash and cash equivalents	636,731	Bank loans and current portion of long-term debt	719,014
Notes and accounts receivable, trade	883,146	Notes and accounts payable, trade	718,034
Inventories	825,167	Other current liabilities	1,000,075
Other current assets	378,001	Long-term liabilities	770,427
Property, plant and equipment	789,799	Minority interest	117,817
Other assets	692,886	Shareholders' equity	880,363
Total assets	**4,205,730**	**Total liabilities and shareholders' equity**	**4,205,730**

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INTERNATIONAL FUNDS — June 12, 1989

Quotations supplied by funds listed. Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (t) - twice weekly; (m) - monthly

AL-MAL GROUP		
(w) Al-Mal Trust, S.A.	$	293.97
(r) Managed Currency	$	1094.12
(w) Equity	$	952.60
(w) Bond	$	761.62
ALPHA ASSET MANAGEMENT LTD.		
(m) Alpha Global Fund	$	605.39
(w) Nicholas-Applegate Aurelia	$	129.60
BANK JULIUS BAER & CO. Ltd.		
(d) Baerbond	SF	956.00
(d) Conbar	SF	1831.00
(d) Equibaer America	$	1640.00
(d) Equibaer Europe	SF	1564.00*
(d) Equibaer Pacific	SF	1463.00*
(d) Stockbar	SF	2231.00*
(d) SFR-BAER	SF	775.00*
(d) Swissbar	SF	2451.00*
BAII MULTICURRENCY		
(r) Multicurrency US$	$	1,278.25
(r) Multicurrency Ecu	ECU	1,148.76
(r) Multicurrency Yen	Y	245,556.00
(r) Multicurrency FFR	FF	11,358.24
BNP INTERFUNDS		
(w) Interbond Fund	$	187.10
(w) Intercurrency US$	$	10.66
(w) Intercurrency DM	DM	30.27
(w) Intercurrency Sterling	£	10.43
(w) Intercurrency Managed	$	10.47
(w) Interequity French Offer	$	13.81
(w) Interequity Pacific Offer	$	18.36
(w) Interequity N. Amer. Offer	$	12.40
(w) Interequity European Class	$	8.88
(w) Interequity Australia Cls.	$	9.48
(w) Interlux Capital Belgian	LF	56,894.00
(w) Interlux Cap.Fr Securite	FF	11,312.43
(w) Interlux Capital FFr	FF	13,218.98
(w) Interlux Cap.France Cap.	FF	10,992.39
(w) Interlux Cap. LUF/BEF	LF	48,225.00
(w) Interlux Capital ECU	ECU	1,357.32
BANQUE BELGE ASSET MGMT FUND		
Shore Distributor Guernsey 0481 26614		
(w) Int'l Equity Fund (Sicav)	$	11.09
(w) Int'l Bond Fund (Sicav)	$	9.76
BANQUE INDOSUEZ		
(w) Asian Growth Fund	$	28.75
(w) Asian Income Fund	$	9.09*
(w) Diverbond	SF	84.95
(w) FIF-Internat. Div.A	$	17.63
(w) FIF-Internat. Div.B	$	13.52
(w) FIF Internat.America	$	15.71
(w) FIF Internat.Pacific	$	440.90
(w) FIF Internat.Europe	$	26.39
(w) FIF Internat.Japan	Y	1,204.00
(w) FIF Int. Nat. Res. A	$	10.85
(w) FIF Int. Nat. Res. B	$	10.85
(w) France Blue Chips No1	FF	116,770.00
(w) Indosuez Multibonds Div.A	$	131.49
(w) Indosuez Multibonds Div.B	$	276.21
(w) France International	FF	101.31
(w) Indosuez Multibonds US$	$	108.41
(w) Indosuez Multibonds YEN	$	9,909.00
(w) Indosuez Multibonds DM	$	103.08
(w) IPNA-3	$	1120.08
(w) Malacca Fund	$	10.66
(w) The Siam Fund	$	16.23
(w) Pacific Gold Fund	$	12.18
BANQUE PRIVEE E. DE ROTHSCHILD		
(w) Daiwa Lci Equity	$	1010.10
(w) Daiwa Lci Int. Bond	$	1086.35
(w) Ecu D'Or	ECU	97.45
(w) Hispano Int'l Fund	ECU	10.05
(b) Pri-Tech	$	1148.07
(b) Source Sicav	$	10.93
BANQUE E. DE ROTHSCHILD LUX. SA		
(b) Cursitor BP Fixed Inc.Fund	DM	125.87
(b) Cursitor BP General Fund	DM	150.03
(b) Eagle Fund	LF	10450.08
(d) Europe Japan Fund	$	9.98
(b) Governm. Sec. Funds	$	74.43
(w) Leicom	$	2497.14
(b) Opportunities Fund	$	804.04
(b) Prifirst	$	502.25
(b) Prirop fund	DM	48.80
(w) Rente Plus	BF	55988.00
(t) Select. Horizon Dev.	FF	52707.23
(t) Select. Horizon FF	FF	55970.48
(b) Star Conv.Fund FL	FL	9769.00
(b) Star Conv.Fund USD	$	97.88
BANQUE SCANDINAVE EN SUISSE-GENEVA		
(w) BSS Bond Fund	SF	80.04*
(w) BSS Intelsec.	SF	1805.14
(w) BSS Int'l Bond	$	1.18*
(w) BSS Int'l Equity	$	2.065*
B.F.A.C.M.		
(w) Ecu Multiplacement	ECU	1153.10
BROADGATE INTERNATIONAL FUND		
(d) $ Money Market	$	12.26
(d) Non-$ Money Market	DM	30.02
(w) $ Bond	$	12.71
(w) Non-$ Bond	DM	30.97
(w) Global Equity	$	15.88
(w) Global Bond	$	12.78
(w) Global Bond & Equity	$	13.57
(w) Prec. Mets/Min. Secs	$	6.16
B.W MANAGED ASSETS CY, SICAV		
(t) Global Bond Fund	ECU	10.92
(t) European Securities Fund	ECU	12.77
(t) French Securities Fund	FF	122.29
(t) North American Secu.Fund	$	11.01
(t) Pacific Basin Secu. Fund	$	9.25
CAISSE CENTRALE DES BANQUES POP.		
(d) Fructilux-Obl.FSES	FF	5,601.75
(d) Fructilux-Obl.Euro	ECU	1,042.23
(w) Fructilux-Act.Fses	FF	7,213.04
(w) Fructilux-Act.Euro	ECU	1,195.74
(d) Fructilux-Tresorier	FF	5,610.70
CALLANDER		
(w) Callander Emer. Gr.	$	113.56
(w) Callander Fund-Asset	$	106.30
(w) Callander Fund-Span.	Ptas	10,508
CAPITAL INTERNATIONAL		
(w) Capital Int'l Fund	$	87.54*
(w) Capital Italia SA	$	32.85
CDC INTERNATIONAL		
(w) CFI Court Terme	FF	114496.83
(w) CFI Long Terme	FF	1126276.08
CIC GROUP		
(d) Oblicic Monetaire	FF	11191.81
(d) Oblicic Court Terme	FF	11537.90
CITICORP INVESTMENT BANK (Lux.)		
POB 1373 Luxembourg Tel. 477.95.71		
(d) Citicur USD Portofolios	$	1275.42
(d) Citinvest Ecu Income	ECU	1293.34
(d) Citinvest Manag. Growth	$	1148.12
(d) Citi.Mana.Growth Euro	ECU	1034.61
(d) Citinvest Profit Sharing	$	S
(d) Citinvest Selector	$	863.46
(d) Citinvest Guardian $	$	1037.09
(d) Citinvest Guard. Euro	ECU	1065.22
(d) Citiport N.A Equity	$	136.07
(d) Citiport Jap. Equity	Yen	10984.00
(d) Citiport UK Equity	£	116.42
(d) Citiport S.Asian Eq.	$	S
(d) Citiport Cont.Euro. Eq.	ECU	128.17
(d) Citiport N.A.S Bond	$	108.86
(d) Citiport Euro Bond	ECU	101.51
(d) Citiport AS.Pac.Bd.	YEN	10596.00
CITITRUST		
(w) US. $ Equities	$	212.48685
(w) US. $ Bonds	$	11.81633
(w) US. $ Money Market	$	12.22863
(w) Global Equities.	$	9.45800
(w) Global Money Market.	$	11.22802
(w) Global Bonds.	$	11.13000
CCF - GAMMA		
(w) CM Inv.Ser.Fds-Actibonds	$	35.32
(w) CM Inv.Ser.Fds-Glbl.Grth	$	10.87
(w) CM North Amer Grth	$	9.09
(w) Elysees Court Terme	FF	57,563.65
(w) Elysees Long Terme	FF	54,026.95
(w) Elysees Monetaire	FF	58,489.81
(w) Elysees Multibonds Funds	£	106.74
(w) EMF D-Mark (A&B)	DM	1,006.34
(w) EMF Ecu (A & B)	ECU	1,018.24
(w) EMF US Dollar (A & B)	$	1,063.69
(w) EMF Yen (A & B)	YEN	100,246.00
(d) Europe Prestige Fund A	ECU	10.46
(d) Europe Prestige Fund B	ECU	10.98
(w) European Smlr Cos. Fd.A	ecu	13.27
(w) European Smlr Comp.Fd.B	ecu	13.27
CODEVALOR SICAV		
(w) C.Rendement Fr.Suisse	SF	1888.72
(w) C.Rendement US$	$	1405.40
(w) C.Croissance Dollar	$	1462.22
(w) C.Croissance Zone Sterling	$	976.37
COMPASS INTL HOLDINGS Ltd.		
POB 455, Jersey 0534 27267		
(w) Bond: Dollar Medium Term	$	10.92
(w) Bond: Ecu Multicurrency	ECU	10.27
(w) Equity: United Kingdom	£	11.32
CREDIT SUISSE (ISSUE PRICES)		
(d) CSF Bonds	SF	81.25
(d) Bond Valor Swf	SF	103.10
(d) Bond Valor US-DOLLAR	$	121.99
(d) Bond Valor D-mark	DM	111.42
(d) Bond Valor Yen	Y	10,954.00
(d) Bond Valor £ Sterling	£	99.65
(d) Convert Valor Swf	SF	153.70
(d) Convert Valor US-DOLLR	$	170.78
(d) CSF International	SF	139.75
(d) Actions Suisses	SF	576.75
(d) Europa-Valor	SF	218.25
(d) Energie-Valor	SF	164.50
(d) Canasec	SF	686.00
(d) Ussec	SF	821.00
(d) Pacific-Valor	SF	234.75
(d) CS Gold Valor	$	142.16
(d) CS Ecu Bond A	ECU	101.24
(d) CS Ecu Bond B	ECU	115.99
(d) CS Europa Bond 'A'	DM	247.56
(d) CS Europa Bond 'B'	DM	247.56
(d) CS Gulden Bond A	FL	98.95
(d) CS Gulden Bond B	FL	110.04
(d) CS Prime Bond 'A'	DM	97.02
(d) CS Prime Bond 'B'	DM	102.52
(d) CS Short-T. Bd DM A	DM	99.56
(d) CS Short-T. Bd DM B	DM	109.92
(d) CS Short-T. Bd $ A	$	99.91
(d) CS Short-T. Bd $ B	$	113.03
(d) CS Money Market Fund	$	1374.82
(d) CS Money Market Fund	DM	1215.55
(d) CS Money Market Fund	£	1458.29
(d) CS Money Market Fd Yen	Y	114,713.00
DIT INVESTMENT FFM		
+(d) Concentra	DM	39.92
+(d) Int'l Rentenfond	DM	79.23
DREXEL BURNHAM LAMBERT INC		
Winchester House, 77 London Wall		
LONDON EC2 (01 9209797)		
(w) Finsbury Group Ltd	$	164.76
(w) Winchester Capital	$	106.22
(w) Winchester Holdings	FF	141.34
(w) Winchester Holdings	£	14.74
(w) Winc.Holdings Ltd.E.B.$	ECU	1145.42
(w) Winc.Reserves.E.B.$	ECU	1099.60
(w) Winc.Reserv.MultiGvBd.	ECU	11.22
(w) Worldwide Securities	$	33.62
(w) Worldwide Special	$	768.06
(m) Winch Fut.Diversified	$	18.38
(m) Winch Fut.Orion Series	$	21.61
(m) Winchester Frontier	$	176.22
(m) Winchester Recovery Ltd	$	91.50
EBC TRUST CO.(JERSEY) LTD.		
1-3 Sele St.,St. Helier ;0534-36331		
EBC AMRO TRADED CURRENCY FUND.		
@(d) Inc.: Bid. $ 13.27 Offer.	$	13.678
@(d) Cap.: Bid. $ 18.93 Offer.	$	19.508
INTERNATIONAL INCOME FUND		
(d) Short Term 'A' (Accum)	$	1.1155
(d) Short Term 'A' (Distr)	$	0.7247
(d) Short Term 'B' (Accum)	$	1.3376
(d) Short Term 'B' (Distr)	$	0.9533
(w) Long Term	$	29.3285
ELDERS SECURITIES INC.		
W. Rafter, (212) 573-0440		
(d) EFF	$	336.71
(d) ESP	$	148.27
(d) EMR	$	99.97
ELDERS SWITZ.(038) 24 79 79		
(w) Elders Int Bid SF 103.50 Offer	SF	109.75
(w) Elders Aus Bid AS 89.50 Offer	AS	94.75
EQUIFLEX LIMITED		
(w) Europe A	FL	11.10
(w) Global A	FL	12.23
(w) North America A	FL	10.89
(w) UK Equities	£	10.32
(w) UK Small Co.	£	10.35
EURO PACIFIC ADVISERS Ltd.		
(w) Comete	$	762.38
(w) Meteore	Y	120,633.00
(w) Pacific Horizon Invt. Fd	$	1658.21
F&C MGMT. LTD. INV. ADVISERS		
1, Laurence Pounty Hill, EC4. 01-623-4680		
(w) F&C Atlantic	$	20.60
(w) F&C European	$	35.56
(w) F&C Oriental	$	80.33
(w) F&C N. American M C Fd	$	9.59
(w) F&C Nordic Fund	$	11.65
FIDELITY INT'L INV. MGMT (LUX.) S.A.		
(d) New Europe Fund	$	9.40
(d) Fidelity Conv. Sec. Portf.	$	9.46
FIDELITY POB 670, Hamilton Bermuda		
(m) Fid. Amer. Val.II Com.	$	111.15
(m) Fid. Amr.Val.II Cum.Pref.	$	101.75
(m) Fid. Amer. Val.III Com.	$	58.22
(m) Fid. Amr.Val.III Cum Pref.	$	101.90
(d) Fidelity Amer. Assets	$	127.52*
(d) Fidelity Australia Fund	$	15.48
(d) Fidelity Dir. Svgs.Tr.	$	161.97
(d) Fidelity Pacific Fund	$	290.43
FIDELITY INT'L SERVICE (LUX.)		
(d) Balanced Portfolio-hedged	$	10.48
(d) Balanced Portfolio-unhedg	$	11.31
(d) Fidelity Discovery Fund	$	17.39
(d) Fidelity Far East Fund	$	59.22
(d) Fidelity Frontier Fund	$	21.95*
(d) Fidelity Global Ind. Fd	$	12.26
(d) Fidelity Global Selct Fd	$	11.65
(d) Fidelity Int'l. Fund	$	13.12
(d) Fidelity Orient Fund	$	37.86
(d) Fidelity Sect. Growth Fd.	$	31.44*
(d) Fidelity World Fund	$	67.89
FIDELITY INT'L (CI) LTD.		
FIDELITY PERFORM PORTFOLIOS LTD.		
(d) American Portfolio	$	1.03*
(d) European Portfolio	$	1.45*
(d) Japan Portfolio	$	1.32*
(d) South East Asian Portfolio	$	0.83*
(d) U.K. Portfolio	$	1.08*
(d) Intl. Bond Portfolio	$	0.94*
(d) Sterling Liquidity Pftl.	£	10.04*
(d) Dollar Liquidity Portfolio	$	10.03*
Finafuturs (BVI) Ltd		
(d) Portofolio Fund-series 1.	$	1.0694
FOKUS BANK A.S. 472 428 555		
(w) Scanfonds Int'l growth fd	$	1.54
FORBES PO B887 GRAND CAYMAN		
London Agent 01-839-3013		
(w) Forbes High Inc. Gilt Fd	£	46.90
(w) Gold Income	$	4.13
(w) Gold Appreciation	$	3.89
GAIA CURRENCY HEDGE FUNDS		
(w) Gaia Hedge I S $ 90.35* Red	$	89.53
(w) Gaia Hedge II S $ 135.23* Red	$	131.12
GAM ANLAGEFONDS AG.		
POB 164, 8034 Zurich Tel.41-1-2516640		
(w) GAM (CH) America	SF	1235.00
(w) GAM (CH) Mondial	SF	1334.00
(w) GAM (CH) Pacific	SF	1521.00
GARTMORE FUND MANAGERS INT.		
45, La Motte Street, JERSEY 0534 27301		
CAPITAL STRATEGY FD. LTD.		
(d) Sterling Deposit	£	1.003
(d) US$ Deposit	$	1.023
(d) DM Deposit	DM	5.068
(d) Yen Deposit	Y	504.20
(d) Sw. Fr. Deposit	SF	5.070
(d) Austr.Dollar Dep. fd	AS	1.040
(d) French Franc Deposit fd.	FF	10.19
(d) N. American	$	1.59
(d) Japan	Y	661.00
(d) Pacific Basin	Y	309.00
(d) International growth	$	2.74
(d) British	£	2.12
(d) Sterling Gilt	£	1.04
(d) International Bond	$	1.16
(d) Yen Convertible bond	Y	2952.00
(d) European Fund	DM	5.42
(d) E.C.U. Fund	ECU	0.97
(d) Australasian fund	£	0.32
(d) Canadian fund	Can$	0.90
(d) Emerging Markets Fund	£	1.19
(d) Global Resources Fund	$	0.75
GEFINOR FUNDS		
London: 01-4994171, Geneva: 41-22355530		
(w) East Investment Fund	$	939.32
(w) Scottish World Fund	£	203.9663
(w) State St. American	$	291.63
GENERALE BANK		
(see also Interselex Group)		
(d) Rentinvest	$	25.48*
(d) Capital Rentinvest	$	110.14
(d) Rentinbel Distr.	LF	9,988.00*
(d) Rentinbel Cap.	LF	10,506.00
GLOBAL ASSET MANAGEMENT CORP.		
11 Athol St, Douglas, I. of Man. 44-624-26037		
(w) Futurgam S.A.	$	182.38
(w) GAM Arbitrage Inc	$	238.85
(w) GAMerica Inc	$	241.44
(w) GAM Australia Inc.	$	135.65
(w) GAM Asean Inc	$	125.45*
(w) GAM Boston Inc	$	170.72
(w) GAM Ermitage	$	26.79
(w) GAM European Inc.	$	104.30
(w) GAM Franc-Val Inc.	SF	243.58
(w) GAM France Inc	FF	1379.45
(w) GAM Global Fund	$	110.30
(w) GAM High Yield Inc.	$	109.10
(w) GAM Hong Kong Inc.	$	168.56*
(w) GAM International Inc.	$	143.69
(w) GAM Japan Inc.	$	376.03
(w) GAM Money Mkts. Fund	$	104.51*
(w) GAM Money Mkts. Fund	£	105.84*
(w) GAM Money Mkts. Fund	SF	102.36
(w) GAM Money Mkts. Fund	DM	103.33*
(w) GAM Money Mkts. Fund	Y	10,159.00*
(w) GAM Pacific Basin Fund	$	112.39
(w) GAM Pacific Inc	$	412.19
(w) GAM Restr. Fd. Inc.	$	162.75*
(w) GAM Singapore/Malay Inc.	$	167.42
(w) GAM Swiss Fr Spec Bond Fd	SF	101.06
(w) GAM Value Inc.	$	105.00
(w) GAM Worldwide Inc	$	414.10
(w) GAM Tyche S.A. Class A	$	178.98
(w) GAM U.S. Inc.	$	144.96
(w) GAM Whitethorn Fund Inc.	$	129.78
(w) GAM utl Inc.	$	248.23
(w) GSAM Composite Inc.	$	209.13*
(w) GSAM Int. Inc. U.S Ord.	$	113.97*
(w) GSAM Int. Inc.U.S Spe.	$	122.32*
(w) GSAM Interest Inc.	SF	99.76*
(w) GSAM Interest Inc.	£	102.15*
(w) GSAM Interest Inc.	DM	95.01
(w) GSAM Interest Inc.	Y	11,977.00*
G.T. MANAGEMENT PLC		
(r) G.T. Applied Science	$	14.83
(d) G.T. ASEAN Fund	$	38.43
(d) G.T. Asia Fund	$	11.85*
(d) G.T. Australia Fund	$	28.05*
(d) G.T. Berry Japan Fund	$	32.95*
(w) G.T.Biotechn./Health Fund	$	8.96
(d) G.T. Bond Fund	$	16.17*
(w) G.T. Britain Fund	£	8.17
(d) G.T. Deutschland Fund	$	10.49
(d) G.T. Dollar Fund	$	20.42*
(d) G.T. Europe Fund	$	28.48
(w) G.T. Euro. Small Cos. Fund	$	28.80
(w) G.T.Global Small Cos.Fund	$	12.11
(d) G.T.Global Technology Fd	$	17.88*
(d) G.T. Hong Kong Fund	$	21.18*
(d) G.T. Honshu Pathfinder	$	9.14
(d) G.T. Investment Fund	$	10.53
(w) G.T. Japan Sml Co.Fd	$	10.16*
(w) G.T. Nat Res. Fd Gold Class	$	6.31
(w) G.T. Newly Ind. Countr. Fd	$	27.37
(d) G.T. Select Dollar Bd Pfl	$	9.48
(d) G.T. Select Int Bd Pfl.	$	9.94*
(d) G.T. Select Gilt Pfl.	£	8.46*
(r) G.T. Technology Fund	$	33.34
(d) G.T. U.K. Small Companies	£	10.26
(d) G.T. Univ.Growth Fund	$	10.09
(d) G.T. U.S. Small Companies	$	12.44
HILL SAMUEL INVEST. MGMT. INTL. S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
(d) Crossbow (Far East)	SF	17.49
(d) CSF (Balanced)	SF	33.33
(d) European Equity Fund	DM	17.34
(d) Intnl. Bond Fund	$	12.90
(d) Int. Currency U.S.Manag'd	$	25.20
(d) ITF Fd (Technology)	$	19.68
(d) O'Seas Fd (N. AMERICA)	$	48.22
(d) Int. Currency U.S.	$	32.31
IAM, 2 Bd. Royal LUXEMBOURG		
(d) Iam Flagship Fund	ECU	87.90
(w) Iam Bonds Fund-France	FF	548.70
(w) Iam Bonds Fund-Deutschl	DM	211.89
(w) Iam Bonds Fund-Japan	Y	10,969.00
(w) Iam Bonds Fund-Switz.	FS	206.28
(w) Iam Bonds Fund-U.S.A	$	108.68
(w) Iam Bonds Fund-Europe	ECU	111.59
(w) Iam Bonds Fund-Netherl.	FL	212.19
(w) Iam Europe global	ECU	99.37
(w) Iam Europe luxe	ECU	99.03
(w) Iam Europe 90/10	ECU	99.29
(w) Iam Europe 1992	ECU	99.31
(w) Iam Europe du Sud	ECU	99.31
INTERSELEX GROUP		
(d) Int.America Fund	$	16.04
(d) Int.Belgo Fund	LF	3207.00
(d) Int.Europa Sicav	LF	6431.00
(d) Int.Pacific Fund	$	1214.98*
(d) Int.World Fund	$	92.33*
ISLAMIC MGMT FUND LTD	$	995.17
CSFB Fund Mgmt Ltd (0481-713996)		
PB122 St. Peter Port, Guernsey		
JARDINE FLEMING, GPO Box 11448 Hg Kg		
(d) J.F Japan Trust	Y	15,718.00
(d) J.F Pacific Sec. Trust	$	25.35
(d) J.F Pacific Income Trust	$	60.25
(d) J.F Hong Kong Trust	$	55.09
(d) J.F European	$	9.72
(d) J.F International	$	13.17
(d) J.F Gtb Convertibles Trust	$	10.72
LLOYDS BANK PLC, POB 438, Geneva 11		
Mrs. C. Bertoletti, (22) 208611/ext. 2222		
+(w) Lloyds Int'l Dollar	$	111.00
+(w) Lloyds Int'l Europe	SF	177.88
+(w) Lloyds Int'l Growth	SF	227.50
+(w) Lloyds Int'l Income	SF	282.00
+(w) Lloyds Int'l N. America	$	151.50*
+(w) Lloyds Int'l Pacific	SF	238.90
+(w) Lloyds Int'l. Smaller Cos	$	17.75
MAN INTERNATIONAL FUTURES		
(m) Alubaf Mint Gtd.Fund.Ltd.	$	N/C
(m) Mint Limited - Ordinary	$	41.25
(m) Mint Limited - Income	$	15.31
(m) Mint Gtd Ltd - Spec Issue	$	21.67
(m) Mint Gtd Ltd - Series A	$	20.01
(m) Mint Gtd Ltd - Nov 1993	$	19.20
(m) Mint Gtd Ltd - Jan 1994	$	15.48
(m) Mint Gtd Ltd - Dec 1994	$	13.43
(m) Mint Gtd Ltd - Aug 1995	$	10.90
(m) Fame Mint Gtd Plc	$	118.97
(m) Mint Sp Res Ltd (BNP)	$	106.75
(m) Newcastle Guaranteed Ltd	$	11.29
MAGNUM FUTURES FUND LTD.		
(m) Sterling Class	£	4.91
(m) U.S Dollar Class	$	9.79
MERRILL LYNCH		
(d) Dollar Assets Portfolio	$	1.00
(d) First Convertible Sec. Fd	$	11.59
(d) Global equity Portfolio	$	10.41
(d) Iberia portfolio	$	10.40
(d) Multi-Curr. Bond Portfolio	$	12.90
(d) U.S.A Income Portfolio	$	9.24
(d) US Federal Securites	$	9.82
(d) World Nat Res Pfl. Share A	$	10.25
(d) World Nat Res Pfl. Share B	$	10.21
GLOBAL CURRENCY PORTFOLIOS		
(d) Australian Dollar Pfl.	$	10.29
(d) Deutschmark Portfolio	DM	10.08
(d) Pound Sterling Portfolion	£	10.14
(d) US Dollar Portfolion	$	10.42
(d) Yen Portfolio	Y	1005.00
MIM BRITANNIA, POB 271, St. Helier, Jersey		
(d) Int.High Income	$	2.467
(d) Dollar Man.Curr	$	14.60
(d) Dollar Man. Port	$	2.051*
(d) Sterling Man.Port	£	1.834*
(d) Pioneer Markets	£	2.84*
(d) U.K. Growth	£	1.067
(d) Amer. Inc. & Growth	$	1.408
(d) Gold & Prec. Metals	$	0.937
(d) Sterling Man. Curr.	£	17.76
(d) Japan Dollar Perf. Fd	$	3.949
(d) Jersey Gilt	£	1.0395*
(d) Okasan Global Strat	$	16.07
(d) Asia Super Growth Fund	$	11.48
NIMARBEN		
(w) Class A	$	142.12
NMB BANK, PO 1800, 1000 BV Amsterdam.		
(w) The Brazil Fund	$	3.49
(w) NMB Dutch Fund	FL	37.00
OBLIFLEX LIMITED		
(w) Multicurrency	$	20.14
(w) Dollar Medium Term	$	16.01
(w) Dollar Long Term	$	15.45
(w) Japanese Yen	$	25.07
(w) Poud Sterling	$	14.94
(w) Deutsche Mark	DM	12.77
(w) Dutch Florin	FL	22.81
(w) Dutch Florin Multi.	FL	10.50
(w) Swiss Franc	SF	10.86
(w) Swiss Multicurrency	SF	12.52
(w) European Currency	ECU	13.87
(w) Convertibles	$	10.67
(w) Swiss Multi-dividend	SF	38.61
NOMURA INVEST BANKING (M.E) E.C.		
(d) Nomura Gulf Fund	$	9.85
PARIBAS-GROUP		
(d) Belux Fund	LF	10,822.00
(d) Cortexa International	$	130.58
(d) Ecupar	ECU	1,353.52
(d) Far East Growth Fund	$	141.57
(d) Luxor	$	8.50
(d) Moneyflow	$	18,071.00
(d) Pareurope Growth	$	19.71
(d) Parinter Fund	$	216.41
(d) Par US Treas. Bond 'Cl. B'	$	147.95
(d) Europhenix	FF	1,331.59
(d) Parinter Bond Fund	$	12.90
(d) Paribas-Rente 'A'	LF	1,305.00
(d) Paribas-Rente 'B'	LF	1,406.00
(d) Obli-Franc	FF	1,195.51
(w) Obli-DM 'A'	DM	1,149.41
(w) Obli-DM 'B'	DM	1,283.22
(w) Obligestion	SF	90.80
(w) Obli-Dollar 'A'	$	1,192.75
(w) Obli-Dollar 'B'	$	1,270.38
(w) Obli-Yen 'A'	Y	108,300.00
(w) Obli-Yen 'B'	Y	114,425.00
(w) Obli-Gulden 'A'	FL	1,046.05
(w) Obli-Gulden 'B'	FL	1,105.93
(w) Parsuisse	SF	1,464.00
(w) Pariapan	Y	3,484.00
PERMAL GROUP		
(m) Drakkar Growth	$	2821.97
(m) Nascal Ltd	$	7226.31
(m) Select Equities Ltd	$	738.80
(m) Special Opportunities Ltd	$	1639.43
(m) Updyke Ltd	$	263.65
(m) Value N.V.	$	2040.55
PIERSON, HELDRING & PIERSON N.V.		
POB 243, 1000 AE Amsterdam (20-211188)		
(w) Asia Pac. Growth Fd N.V.	$	36.53
(w) DP Amer. Growth Fd N.V.	$	25.35
(w) DP Energy Resources	$	37.52
(w) Europe Growth Fund N.V.	FL	56.55
(w) Japan Diversified Fund	$	53.89
(w) Leveraged Cap Hold	$	325.10
(w) Tokyo Pac. Hold. N.V.	$	254.83
PUTNAM		
(d) Emerging Hlth Sc. Trust	$	15.74
(w) Putnam Em. Info. Sc. Tr	$	13.28
(d) Putnam Int'l Fund	$	18.40
ROBECO GROUP		
POB 973, Rotterdam (10-4658711)		
(d) Robeco	FL	106.60
(d) Rolinco	FL	105.30
(d) Rorento	FL	61.70
(d) Rodamco	FL	165.50
ROTHSCHILD AST.MGT.		
(w) Tokyo Pac. Hold. (Sea)	$	185.95
ROYAL B. CANADA, POB 246, GUERNSEY		
+(w) RBC British Fund Ltd.	£	5.86*
+(w) RBC Canadian Fund Ltd	C$	14.92*
+(w) RBC European Fund	$	11.59
+(w) RBC Far East&Pacific Fd	$	35.57
+(w) RBC Int'l Capital Fd	$	51.19
+(w) RBC Int'l Bond Fund Ltd.	$	12.08
+(d) RBC Man.Currency Fd	$	38.39
+(w) RBC North Amer. Fd	$	15.31
ROYAL TRUST ASSETMIX FUND		
Lux.Tel: (352) 489061		
EQUITY FUNDS		
(d) Alpha UK	£	1.15
(d) Alpha US$	$	1.26
(d) Alpha Worldwide	SF	5.51
(d) Alpha Japanese	Y	1027.00
(d) Alpha Pacific Rim	$	1.01
(d) Alpha European	ECU	1.10
(d) Gold Share	$	0.97
BOND FUNDS		
(d) Sterling Pound	£	100.05
(d) US$ Bond	US$	100.34
(d) Deutschmark Bond	DM	50.40
(d) Alpha Worldwide	SF	55.67
RESERVE FUNDS		
(d) Sterling Reserve	£	10.632
(d) US$ Reserve	$	10.384
(d) Deutschmark Reserve	DM	10.206
SHEARSON LEHMAN HUTTON		
(d) Oporto Growth Fund	$	10.875
(d) Offshore Multiple Opps.	$	18.49
OFFSHORE PORTFOLIOS (OP)		
(d) OP Global balanced	$	10.44
(d) OP Precious Metals	$	8.46
(d) OP Global Bond	$	9.85
(d) OP US Share	$	11.38
(d) OP Global Equity	$	11.22
(d) OP Pacific Equity	$	10.28
(d) OP Euro Equity	$	11.63
(d) OP US Govt Securities	$	10.41
(d) OP Global Money Market	$	9.64
(d) OP US Money Market	$	10.00
INTERNATIONAL PORTOFOLIOS (IP)		
(d) IP Global Balanced	$	11.81
(d) IP Precious Metals	$	8.96
(d) IP Global Bond	$	10.26
(d) IP US Share	$	11.86
(d) IP Global Equity	$	11.51
(d) IP Pacific Equity	$	10.56
(d) IP Euro Equity	$	11.71
(d) IP US Govt-securities	$	11.01
OFFSHORE SHORT-TERM INVEST. (OSI)		
(d) OSI Deutsche Mark	$	8.45
(d) OSI Japanese Yen	$	8.52
(d) OSI Pound Sterling	$	8.53
(d) OSI US Dollar	$	7.00
(d) OSI Managed Currency	$	10.34
(d) OSI Canadian Dollar	$	10.36
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
(w) Equity Intl Acc	$	10.48
(w) Equity Intl Inc	$	9.80
(d) Equity Global	$	0.96
(w) Equity Far East	$	1.61
(w) Equity Gold	$	0.83
(w) Equity Japan	Y	119.80
(d) Equity Nordic	$	1.07
(d) Equity U.K.	£	1.07
(d) Equity Continental Europe	$	1.02
(d) Equity Mediterranean	$	1.01
(d) Equity North America	$	1.08
(w) Bond Intl Acc	$	7.42
(w) Bond Intl Inc	$	6.28
(w) High Income Acc	$	0.97
(w) High Income Inc	$	0.90
(d) DEM	DM	0.98
(w) Multicurrency	$	1.0238
(d) FRF	FF	1.02
SOCIETE GENERALE GROUP		
(w) Sogelux Fund		
(w) Sogelux Bonds A	$	11.37
(w) Sogelux Bonds B	DM	21.49
(w) Sogelux Bonds C	FF	55.16
(w) Sogelux Bonds D	SF	20.00
(w) Sogelux Bonds E	£	7.90
(w) Sogelux Bonds F	Y	1632.00
(w) Sogelux Bonds G	ECU	11.36
(w) Sogelux Bonds H	$	11.12
(w) Sogelux Bonds J	BF	543.00
(w) Sogelux Equities K	$	11.33
(w) Sogelux Equities L	ECU	11.35
(w) Sogelux Equities M	YEN	1567.00
(w) Sogelux Equities O	$	9.92
(w) Sogelux Equities Q	$	9.61
(w) Sogelux Equities R	$	11.05
(w) Sogelux Short Term S	FF	109.46
(w) Sogelux Short Term T	ECU	10.74
SODITIC ASSET MANAGEMENT INC.		
(w) SAM Diversified Inc.	$	101.78
SVENSKA HANDELSBANKEN S.A.		
146 bd de la Petrusse, L-2330 Luxembourg		
(b) SHB Bond Fund	$	42.36
(w) Svenska Select.Fd Intl Sh.	$	48.80
(w) Svenska Select.Fd America Sh	$	11.09
(w) Svenska Select.Fd Asia Shares	$	8.56
SWISS BANK CORP. (ISSUE PRICES)		
(d) AmericaValor	SF	516.00*
(d) AngloValor	£	183.45*
(d) Asia Portfolio	SF	574.69
(d) Convert Bond Selection	SF	100.09
(d) Dollar Bond Selection	$	134.88*
(d) D-Mark Bond Selection	DM	116.19*
(d) Ecu Bond Selection	ECU	101.25*
(d) Florin Bond Selection	FL	118.33*
(d) FrancoValor	FF	1749.82*
(d) GermaniaValor	DM	476.25*
(d) Gold Portfolio	SF	526.58
(d) ItalValor	Lit	474,530.00*
(d) Japan Portfolio	SF	395.00*
(d) SBC US$ MMF	$	5613.85
(d) SBC 100 Index Fund	SF	1119.08
(d) Sterling Bond Selection	£	104.97*
(d) Swiss Foreign Bond Selec	SF	106.09*
(d) Swissvalor	SF	392.00*
(d) Universal Bond Select.	SF	81.25*
(d) UniversalFund	SF	131.80*
(d) Yen Bond Selection	Y	11,786.00
THORNTON MANAGEMENT LTD.		
(d) Thornton Int gees.fund	$	1.90
(d) Pacific Invt. Fd. S.A.	£	9.79
(d) Pac.Invt. Warrants Fd.S.A.	£	4.79
(d) Thornton Kangaroo Fd Ltd.	$	10.32
(d) Thornton European Fund	$	5.90
(d) Thornton HK & China	$	9.47
(d) Thornton Japan Fund Ltd	$	22.93
(d) Thornton Orient.Inc. Fd Ltd	$	18.14
(w) Thornton Phil. Redev. Fd	$	38.12
(d) Thornton Tiger Fund Ltd	$	24.49
(d) Thor.Pacific Tech.Fd Ltd	$	12.31
(d) Thor.Litt. Dragons Fd Ltd	$	15.92
(d) Thor.Golden Opport.Fd	$	6.09
(d) Eastern Crusader Fund.	$	7.32
(w) The Global Access Fund.	$	9.49
T. Rowe Price Associates Inc.		
(m) T. Rowe Price Frontier Ltd.	$	10.51
TYNDALL INT'L GUERNSEY LTD		
Tel.0481 27963		
(d) Amer Spec Sits	$	44.03
(d) Eurobond	$	27.54
(d) Mortgage	C$	12.95
(d) Overseas	$	26.10
(d) Tiger	$	34.43
(d) High Yield Bond	£	49.00*
(d) Marunouchi	£	70.90
(d) Far Eastern	£	341.70
(d) Gilt	£	485.50
(d) Mgd Currency-Dollar	$	1.383
(d) Mgd Currency-Stlg	£	185.100
(d) 1992	£	253.500
(d) Wall Street	£	254.400
(d) Hi Inc Gilt & Buildsoc	£	101.800
UEBERSEEBANK, ZURICH		
(d) B-FUND	SF	982.85
(d) M-FUND	SF	1085.91
(d) M-Distribution	SF	103.24
(d) UBZ Euro-Income Fund	SF	10.14
UNION BANK OF SWITZERLAND		
(d) Bond-Invest	SF	64.50*
(d) Brit-Invest Shares	SF	789.00
(d) D-Mark-Invest Bds	DM	211.10
(d) Dollar-Invest Bds	SF	115.15
(d) ESPAC Spanish sh	SF	220.50*
(d) Eurit	SF	325.50
(d) Fonsa Swiss Sh.	SF	206.00
(d) Francit Shares	SF	216.00
(d) Germac Shares	SF	206.50
(d) Globinvest Shares	SF	117.80
(d) Gold Invest Shares	SF	247.00
(d) Holland-Invest Sh.	SF	235.00
(d) Itac Shares	SF	210.00
(d) Japan-Invest Sh.	SF	1645.00
(d) Sima (stock price)	SF	233.50*
(d) Skandinavien-Invest	SF	270.50
(d) UBS Money Mkt Inv.	$	5239.18
(d) Yen-Invest Bonds	SF	1077.00
UNION INVESTMENT Frankfurt		
(d) Unirenta	DM	41.48
(d) Unifonds	DM	31.30
(d) Unirak	DM	78.35
(d) Unizins	DM	112.80
THE UNIVERSAL GROUP OF FUNDS		
(m) Canada Gtd-Mortgage Fd.	C$	12.51
(d) Univers Sav Amer	C$	10.22
(d) Univers Sav Equity	C$	12.54
(d) Univers Sav Global	C$	5.22
(d) Univers Sav Pacific	C$	8.39
(d) Univers Sav Nat. Res	C$	4.21
vHOYTEMA & CHAUSSEE Brussels 5118900		
(m) vH&C Managed Fut. Index	$	187
Other Funds		
(b) Abacus Guart.Fd.Mar.'94	$	10.5275
(r) Acticroissance	$	502.46
(d) Actifinance Intl	$	815.82
(w) Actigestion	FF	1105.78
(w) Activest Intl	$	22.14
(d) Amvabel	FL	98.00
(w) Aquila International Fund	$	242.93
(b) Ariane	$	3,356.75
(m) Atlantic Fund	$	105.26
(d) Atlas Fund	SF	122.21
(r) Australia Fund	$	14.25
(d) Bahamas Superfund	$	1071.00
(b) Blao Monod Bond Fund	$	180.39
(d) Berg Norden Sicav	$	139.18
(d) Berg Trust Sicav	$	114.98
(w) Bergen Int'l Fund.	$	10.90
(d) Bever Beleggingen++	$	25.50
(m) Bonar Currency & Int.	$	87.20
(w) Bondselex-Issue Pr.	SF	119.15
(m) J Capel guaranteed Fund	$	9.84
(w) Capital Man.Inv.Fund	$	1144.00
(d) Cash Gestion	FF	9492.82
(d) CB German Index Fund	DM	111.84
(m) Cleveland Offshore Fd.	$	35.59
(w) Columbia Securities	FL	111.94
(m) Commod. Gtd. Fund/USA	$	8.82
(d) Conqueror Fund Ltd	$	94.73
(w) Convert. Fd. Int'l A Certs	$	17.75
(w) Convert. Fd. Int'l B Certs	$	57.80
(w) Cumber Intl N.V.	$	226.71
(w) Daiwa Japan Fund	Y	9386.00
(w) D.G.C.	$	176.51
(w) DIVERSIF. BOND FUND	$	95.09
(d) D-mark-Baer Bond Fd	DM	1027.00*
(d) Dollar-Baer Bond Fd	$	1125.00*
(d) D. Witter Wld Wide Ivt Tst.	$	22.13
(d) Dreyfus America Fund	$	16.36
(d) Dreyfus Fund Int'l.	$	61.88
(w) Dreyfus Intercontinent	$	42.32
(w) Esprit Sicav	ECU	1141.00*
(w) Espirito Sto Inv M Sth Eur Fd.	$	10.17
(d) Europe Obligations	ECU	74.28
(w) Fairfield Int'l Ltd.	$	129.10
(w) Fairfield Strat. Ltd.	$	53.40
(w) First Eagle Fund	$	34,884.41
(w) F.I.T. Fund II	FF	187.77
(d) Fonditalia	$	48.48
(w) Fonselex Issue Pr.	SF	204.75
(d) Forexfund Limited	$	8.63
(w) Formula Selection Fd.	SF	73.72
(d) Frankl-Trust Effekten Fd	DM	151.11
(d) Frankl-Trust Interzins	DM	41.75
(w) Future Div.Fund	$	25,386.80
(w) George V INV. BOND F.	$	14.58
(m) German Sel. Associates	DM	1991.44
(d) Green Line France	FF	678.61
(w) Haussmann Hldgs. N.V.	$	244.53
(w) Health 2000 Ltd	$	10.19
(w) Hestia Funds	$	158.41
(w) Horizon Fund	$	1840.30
(w) Ibex Holdings Ltd.	SF	179.88
(w) IFDC Japan Fund	YEN	46,913.80
(r) ILA-IGB	$	6.51
(r) ILA-IGS	$	9.97
(m) IncAmerica N.V.	$	14.42
(m) IncAsia N.V.	$	18.47
(w) Interecu Fund	ECU	1187.87
(w) Interface Fund Ltd.	$	148.71
(d) Interfund SA	$	35.07
(w) Intermarket Fund	$	368.98
(r) Int'l Securities Fund	$	23.47
(w) Intersec SA	$	3022.11
(d) Investa DWS	DM	65.45
(r) Invest Atlantiques	$	14.80
(w) Ipremet	$	10.84
(r) Italfortune Int'l Fund SA	$	38.96
(m) Japan Selection Assets	Y	10,064.00
(w) Japan Selection Fund	$	195.61
(w) Japan Pacific Fund	$	298.38
(w) Kleinwort Bens. Jap. Fd.	$	229.22
(d) KML-II High Yield 06/09/89	$	993.06
(w) Korea Growth Trust	$	41.09*
(w) LACO International	$	7.49
(d) Liquibaer	$	1731.00
(m) London Portfolio G'td. I.	$	98.24
(m) London Portfolio G'td. II.	$	10.80
(w) Luxfund	$	99.46
(m) Lynx Sel.Holdings	SF	127.28
(w) ML Morgens Lv Hi Yld.Inv.NV	$	10.48
(d) Mediolanum Sel. Fd.	$	36.07
(d) NCA FUND	$	10.53
(w) Nippon Fund	$	189.80
(m) NMT Asian Sel. Portfolio	$	176.12
(m) NMT Nestec Portfolio s/s	$	104.54
(d) NM Inc. & Growth Fund	$	15.36
(d) Nomura-Cap Int Eq Fd	$	13.39
(d) Nordmix	Lit	11068.00
(m) NSP F.I.T.	$	260.89
(m) Oppenheimer U.S.Arb.	$	129.13
(m) Overlook Perfor.	$	1147.65
(d) Pacific Nies Fund	$	9.50
(d) PAM Futures Trad.	$	875.25
(w) Pancurri Inc.	$	124.72
(w) Prosp. I.H.Inc.P.F.86/02/88	$	9.44
(w) Protected Perfor. Fund	$	0.71
(w) Quantum Fund N.V.	$	13292.50
(w) Rep.(Guernsey) Dol.Inc.fd	$	9.60*
(w) Samurai Portfolio	SF	339.80
(d) Sanyo Kle.Spain Fd	$	10.56
(d) Sarakreek Holding n.v.++	$	27.68
(d) SCI/Tech. SA Luxembourg	$	10.39
(w) Spectrafund Ltd.	$	16.42x
(w) SP International S.A.	$	4423.02
(d) Strat Int'l Gold Fund S.A	$	6.46
(w) Sussex Silverman	$	1013.00
(w) Techno Growth Fund	SF	64.25
(d) Templeton Glob Inc.	$	10.21*
(w) The Petrus Fund Ltd.	$	1.053
(m) TIIC(O.T.C) Jap.fd Sicav	$	9.12
(w) Transpacific Fund	Y	35676.00
(w) Trans Europe Fund	FL	72.80
(w) Tudor B.VI Futures.LTD	$	3865.87
(d) Turquoise Fund	$	303.08
(w) Tweedy,Browne n.v.Cl.A	$	3396.66
(w) Tweedy,Browne n.v.Cl.B	$	1933.90
(m) Tweedy,Browne (U.K.) n.v.	$	1397.59
(d) Unico Inv.Fund	DM	76.51
(d) Unico Equity.Fund	DM	64.23
(d) Uni Bond Fund	ECU	1497.46
(r) Uni Capital Fund	$	1456.85
(d) Univers Bonds	DM	128.78
(w) Vanderbilt Assets	$	17.37
(d) Vestar Flux	FF	1,002.74
(d) Victoria Fund	$	22,800.00
(w) Willerbond Capital	$	13.90
(d) World Fund S.A.	$	22.13
(d) World Balanced Fund S.A.	$	11.19
(m) Zweig Int'l Ltd	$	88,464.00

AS - Australian Dollars; BF - Belgium Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SF - Swiss Francs; Y - Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; ~ - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority

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HONG KONG: *More Chinese Central Control Seen for Joint Ventures*

(Continued from first finance page)

tax advantages when investing in China, many Chinese businesses have formed joint venture companies with foreign partners in Hong Kong for the purpose of reinvesting in China.

Recentralization was under way long before the recent social upheaval that led to a government-ordered crackdown on students in Tiananmen Square. In an attempt to control rampant inflation, Beijing last year revoked approval for many joint ventures that had been authorized by provincial authorities. The move, aimed at projects considered nonessential to China's economic development, affected several hotel and property developments involving Hong Kong investors.

Analysts expect further recentralization efforts to have a more profound impact on a far greater number of investors. As economic ascendancy reverts to Beijing, they said, hundreds of provincial and municipal entities may lose the financial autonomy ceded to them during the campaign to modernize China. And foreign investors who dealt with these entities rather than with Beijing may find their contacts shorn of decision-making power.

"If you believe that the government will try to maximize central control, then you have to conclude that big guns like CITIC and Bank of China will be re-established as the principal agents of trade and commerce," said an investment adviser based in Hong Kong for a large American bank. "Those corporations, if they play their political cards right, could become the only avenues whereby foreigners do business with China."

Now, investors are reassessing their commitments after Beijing's repression of the pro-democracy movement and the ensuing social instability throughout China. Their conclusions will depend, to a large extent, on whether the government honors existing commitments to investors and continues to embrace economic restructuring.

Investor confidence will hinge, too, on the global perception of China's financial status. The American credit agency, Moody's Investor Service has announced a review of the country's A-3 credit rating on long-term debt. The rating measures political stability as well as a country's ability to repay debt, and if China's credit rating is downgraded, it will be a result of the former factor rather than the latter, analysts said.

Although Bank of China is tightening its lending criteria after a short-lived run on the Hong Kong and Singapore branches last week, most China watchers say the institution remains financially secure. The bank has not disclosed the extent of withdrawals.

"It is significant that the Bank of China and CITIC have taken a much lower profile in the last few weeks," an American banker observed. "I believe this is evidence of *their liquidity. They are not having* problems and they do not want to be seen as having problems."

Andrew Chow, managing director of Tian An Investments, a property and investment company in Hong Kong with substantial Chinese backing, said the bank's more cautious lending policy was both prudent and predictable. Bank of China and its 12 allied banks in Hong Kong have been aggressive lenders over the past few years, boosting their share of total deposits to about 20 percent at the expense of established competitors like Hongkong & Shanghai Banking Corp. and Standard Chartered Bank.

The Hong Kong commissioner of banking, Anthony Nicolle, said he had asked the Bank of China group to report daily on liquidity positions, but imposed no new measures or financial requirements. He said the government was satisfied with the group's condition.

■ Bond Issue Canceled

China's political upheaval has blocked a 15 billion yen (about $100 million) fixed-rate bond issue to have been issued June 30 in Tokyo, according to an official of the lead manager, Daiwa Securities, Reuters reported from Hong Kong.

Guangdong International Trust & Investment Corp., a provincial *institution independent of CITIC,* is one of 10 Chinese financial institutions allowed to borrow on overseas markets. It had set the terms of its 10-year, fixed-rate bond before last week's bloodshed in Beijing.

RALLY: *NASDAQ Index Near Record High of 1987*

(Continued from first finance page)

tems and other companies have filed new securities registrations. But people with such concerns appear to be in the minority.

Early this month, Michael Sherman, chief investment strategist at Shearson Lehman Hutton Inc., told his clients to sell some of their blue-chip holdings and invest 15 percent of their assets in a diversified portfolio of 25 speculative *stocks, including technology and* biotechnology issues like Acuson, Autodesk, Amgen and Intermec.

Some professional investors contend that the secondary stocks were due for a renewal in popularity, in part because they have suffered more than five years of poor performance.

Since June 1983, when the stocks of many smaller companies plunged in value, the NASDAQ index has advanced only 40 percent compared with the 139 percent climb of the Standard & Poor's 500-stock index.

"The small stocks represented by the NASDAQ are in a better position than the large stocks represented on the Dow," said Mr. Farrell of Merrill Lynch.

Another reason strategists and portfolio managers like the NASDAQ stocks is their relatively low valuations.

Although prices are nearing their 1987 highs, the stocks' price/earnings ratios are lower than they were two years ago.

"The economy has expanded and earnings are dramatically higher," Mr. McNamee said.

Indeed, the average price/earnings ratio of the 215 companies in the New Horizons Fund, a commonly used proxy for the over-the-counter market, is 14 times earnings, compared with 18.3 in August 1987 and 22 in June 1983.

Trading liquidity, the ability to buy or sell stocks without severely disrupting the price, is still poor, though, money managers say.

ACTIGESTION

Société d'Investissement à Capital Variable
2, Boulevard Royal, LUXEMBOURG.
R.C. LUXEMBOURG B-26966

Messieurs les actionnaires sont priés d'assister à

L'ASSEMBLÉE GÉNÉRALE ANNUELLE

qui se tiendra le 21 juin 1989 à 9.00 heures au siège social, 2, boulevard Royal, pour délibérer sur l'ordre du jour suivant :

1. Rapports du Conseil d'Administration et du Réviseur;
2. Approbation de l'état des actifs nets et de l'état des opérations au 31 décembre 1988; affectation des résultats;
3. Décharge à donner au Conseil d'Administration et au Réviseur;
4. Nominations statutaires;
5. Divers.

Les actionnaires sont avisés qu'aucun quorum n'est requis et que les décisions sur l'ordre du jour seront prises à la simple majorité des voix présentes et/ou représentées.

Tout actionnaire désirant être présent ou représenté à l'Assemblée Générale Annuelle devra en aviser la Société et déposer ses actions au moins cinq jours francs avant l'assemblée aux guichets de la Banque Internationale à Luxembourg, Luxembourg.

Le Conseil d'Administration

INTERMARKET FUND

Société Anonyme
Siège Social: Luxembourg, 2, boulevard Royal
R.C. Luxembourg B-9622

Messieurs, les actionnaires sont priés d'assister à l'assemblée générale ordinaire qui se tiendra le 14 juillet 1989 à 12.00 heures en l'hôtel de la Banque Internationale à Luxembourg, 2, boulevard Royal, Luxembourg pour délibérer sur le suivant:

ORDRE DU JOUR

1. Rapports du Conseil d'Administration et du Réviseur d'entreprises.
2. Approbation du bilan et du compte de pertes et profits au 31 mars 1989, affectation du résultat.
3. Décharge à donner aux Administrateurs.
4. Nominations statutaires.

Aucun quorum n'est requis pour les points à l'ordre du jour de l'assemblée générale annuelle et les décisions seront prises à la majorité des actions présentes ou représentées à l'assemblée.

Pour être admis à l'assemblée, les propriétaires d'actions au porteur sont priés de déposer leurs actions cinq jours francs avant l'assemblée aux guichets de la Banque Internationale à Luxembourg, 2, boulevard Royal, Luxembourg ou auprès de la Banque Arabe et Internationale d'Investissement, 12, Place Vendôme, 75001 Paris.

Le Conseil d'Administration.

REACHING THE EUROPEAN ELITE

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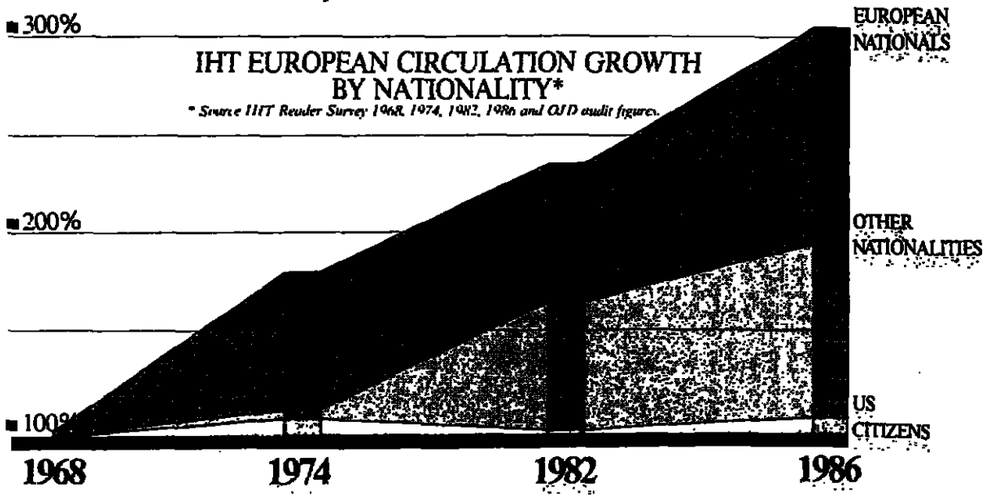

IHT EUROPEAN CIRCULATION GROWTH BY NATIONALITY*

* Source IHT Reader Survey 1968, 1974, 1982, 1986 and OJD audit figures.

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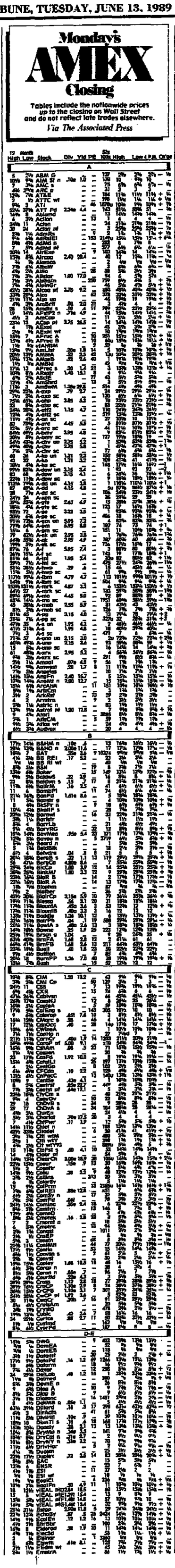
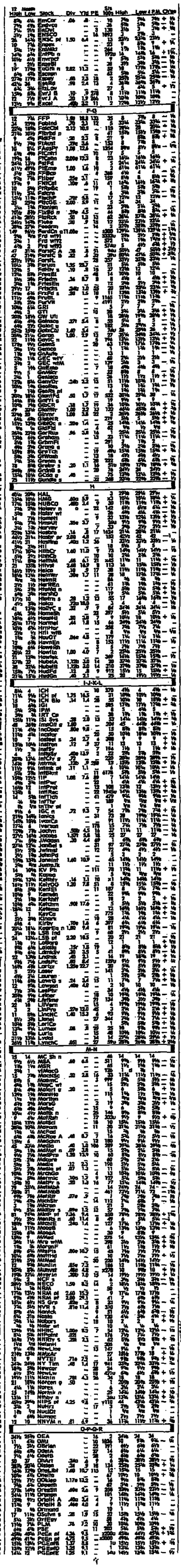
SINGAPORE: 138 Cecil St., Cecil Court 07-02, Singapore 0106, Tel.: (65) 223 6478/9/Tlx.: 28749/Fax: (65) 224 1566.

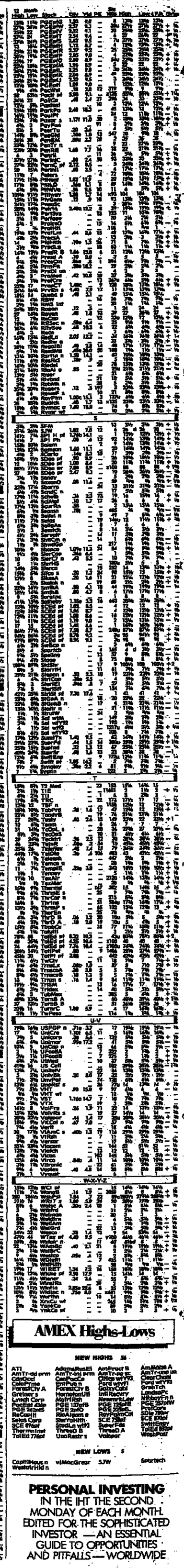
Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press







AMEX Highs-Lows

NEW HIGHS 55

ATI, AmTr-dd prm, CdnDocd, CalePrime, ForestCity A, Greiner s, Lynch Corp, PacEast .03g, PGE 362pfS, ReCapIII, Selas Corp, SCE 8Pfdef, Thermo Inst, TolEd 776pf, AdamsRusEl, AmTr-Ini prm, CenPacCo, EmPwr n, ForestCity B, HemetonUtl, MgtrFlsh, PGE 137pfB, PGE 2pfD, RioAlgom g, SterlnHth, StndLn wt93, ThreeD B, UnoRestr s, AmFrucr B, AmTr-ag sc, Chrys wt'93, Ford wtY91, GalaxyCabl, IntlRectfy, NewmrkLaw, PGE 125pfE, PGE 225pfL, RsvPoint Cri, SCE 7.58pf, SwpwrFds, ThreeD A, Valspar, AmMaize A, AmTr-one un, ClearCbnt, Ford wtY93, GreshTch, LindsayPc, MilbryFn n, PGE 257pfW, PrmCare, SDIe 780pf, SCE 6Pfdef, SwiftEnsy, TolEd 893pf, WoshPost

NEW LOWS 5

CapitlHous n, WestcorHld n, viMacGregor, SJW, Spartech

PERSONAL INVESTING
IN THE IHT THE SECOND MONDAY OF EACH MONTH. EDITED FOR THE SOPHISTICATED INVESTOR — AN ESSENTIAL GUIDE TO OPPORTUNITIES AND PITFALLS — WORLDWIDE.

CURRENCY MARKETS

DOLLAR: *Currency Rises Despite Central Bank Sales*

(Continued from first finance page)

gains — it has soared by 6 yen since Thursday — the trend is still up.

Dealers said that the currency could climb to 155 yen and 2.10 DM, if not higher, over the next few months although long-term sentiment is split.

"People want to be in dollar instruments," said Charles Wheeler, senior vice president at Union Bank in Los Angeles.

Interest-rate differentials, while narrower, still favor the dollar and the Federal Reserve is not expected soon to lower rates more following Friday's 0.9 percent jump in the Producer Price Index.

In addition, dealers said the dollar would continue to benefit from its status as a safe-haven currency after the political turmoil in China and general economic instability in Asia.

Among the currencies to suffer the most from the turmoil has been the yen, because of Japan's status as a major Chinese trading partner and the country's biggest lender.

Moreover, the yen is still feeling the weight of the Recruit Co. stock-peddling affair, dealers said. A recent poll said the new government of Prime Minister Isosuke Uno received the second lowest support rating for a new Japanese government since 1945.

The turmoil in China, meanwhile, has raised concern over investments elsewhere in Asia, notably Hong Kong and Taiwan.

The result has been a flow of capital from the region into dollar investments — a flow that shows few signs of reversing.

Political events outside Asia also are helping the dollar, dealers said. The British pound, for example, is facing increasing pressure from labor unrest in Britain.

The dollar's advance also comes as major central banks appear unable to muster the coordination needed to stem its rise.

"Until that happens, we're going to see the national market forces continue to exert the dominant influence," said John McCarthy, chief dealer at Amsterdam-Rotterdam Bank NV.

Not since late May has there been coordinated dollar sales and West German Bundesbank president Karl Otto Pöhl on Monday fanned speculation that the Group of Seven lacks full accord on currency coordination.

Mr. Pöhl said there was little point in central banks selling dollars when the dollar is especially strong. In contrast, a senior Bank of Japan official said Monday that industrial countries are ready to step up its coordinated intervention if needed to counter the dollar's excessive rise.

"The market senses that there isn't quite the coordination on exchange rates," that there was previously, said Mr. McCarthy of Amro.

Earlier in London the dollar closed at 2.0260 DM, up from 2.0055 DM on Friday, and at 148.88 yen, up from 146.30 yen.

The British fell to $1.5253 from $1.5540 on Friday.

The U.S. unit also ended at 1.7560 Swiss francs, up from 1.7410 francs, and at 6.8655 French francs, up from 6.7975 francs.

Gold fell to a 33-month loww of $357.85 in London before firming to close at $361.25.

London Dollar Rates

Closing	Mon.	Fri.
Deutsche mark	2.0260	2.0055
Pound sterling	1.5253	1.5540
Japanese yen	148.88	146.30
Swiss franc	1.7560	1.7410
French franc	6.8655	6.7975

Source: Reuters

Retail Sales In U.K. Soared 2.5% in May

Reuters

LONDON — A jump in British retail sales last month has fanned fears that inflation is still a problem and that domestic interest rates might rise again.

The government said seasonally adjusted May retail sales jumped 2.5 percent, more than three times as fast as economists had predicted, after a 1.4 percent fall in April.

"This is much stronger than expected and will increase the upward pressure on U.K. interest rates," an economist with Midland Bank said.

Many investors saw the news as a blow to the government's strategy of using high interest rates to brake inflation.

Nigel Lawson, the chancellor of the Exchequer, has pushed up bank base interest rates 10 times in the past year to 14 percent from 7.5 percent to try to curb consumer spending.

BIS: *Report Assails Continuing U.S. Deficits and Warns of More Inflation*

(Continued from page 1)

olas F. Brady at last month's annual ministerial meeting at the Organization for Economic Cooperation and Development, that U.S. budget cuts to slow the economy had to be matched by expansionary measures in the surplus countries.

That position "had a certain validity a few years ago, but no longer," he said, noting that domestic demand in Japan rose 7.75 percent last year and that West German industry is operating at capacity rates.

What is needed, Mr. Lamfalussy said, is "substantial unilateral reduction of U.S. domestic demand" through action to reduce the budget deficit.

Reducing the imbalances "has not been a pressing issue," he said, while the report gloomily warned that to move up on the list of priorities "the limits of sustainability will have to be more clearly in view."

That point may be reached sooner in the United States and Britain, which are running large international deficits, than in Japan or West Germany, the two big countries with the biggest surpluses, the report said. "One can only hope that it happens before protectionism has gained any further ground."

As always, the BIS report focuses on the close linkage between monetary policy, capital flows, exchange rates and current-account imbalances that need to be tackled "not as separate issues and not on a national but on an internationally coordinated basis."

By emphasizing stable exchange rates instead of reduction of imbalances, policymakers have lost sight of the risks posed by these imbalances, the BIS said.

Risks of a "crash landing or severe exchange rate misalignments, and the dangers for financial market-stability and for free trade" attract less attention than in the days after the October 1987 crash in world stock prices. But that does not mean the risks "no longer exist," the report said.

On the contrary, said Mr. Lamfalussy, "the risks must become greater because of the cumulative effects" of the international debt the United States is piling up to finance its deficit.

"At some stage, threshold effects will come into play," with foreign investors unwilling to continue accumulating U.S. debt "though it is impossible to predict when and where."

Mr. Lamfalussy said "the pendulum has swung too far in the direction of pursuing nominal exchange rate stability" since, as the dollar's present strength in the foreign exchange market shows, "it leads to an irresistible appreciation of the 'wrong' currencies with high interest rates and to even worse effects on the imbalances."

Although the U.S. current-account deficit narrowed to $135 billion last year from $154 billion in 1987 and is likely to narrow further this year, the BIS said that with the dollar hovering around 2 Deutsche marks and well above 140 yen, the deficit will progressively increase next year.

The BIS did not make a specific forecast, saying that the speed and extent of the deterioration varied according to the economic model used for the calculations. Rising interest payments to foreign holders of increasing amounts of U.S. debt become a major factor in the widening of the current-account deficit as the benefits on the trade balance from the dollar's past depreciation begin to fade.

Nor does the BIS estimate what dollar exchange rate authorities ought to aim for. "There is no single, predetermined, equilibrium level or path for the exchange rate," the report said.

The report said "there is fairly broad range of exchange rates that are sustainable — provided they are backed up by the right kind of economic policies."

The need for proper supporting policies is the central thesis of the report. As in previous years, the BIS attacks the U.S. budget deficit, saying that there can be no solution to the international imbalances until the United States reins in its domestic deficit.

"With monetary policy engaged in the all-important task of guarding against inflation and fiscal policy immobilized between self-imposed restrictions and partisan struggles, the attention given in the United States to the current-account deficit has clearly not been very great," Mr. Lamfalussy said.

Measures to limit the dollar's rise, such as reduced U.S. interest rates which could fuel inflation, or higher rates in Germany and Japan that could spark a world economic slowdown, could worsen the international outlook. Mr. Lamfalussy said that "the only rational response" is "fiscal restraint in the United States."

He said that "we find ourselves in an exceptional situation in which a major shift in fiscal policy in the largest economy would unambiguously and simultaneously serve the interests of both domestic and external adjustment in the greater part of the world."

"A relatively moderate rise in taxes," Mr. Lamfalussy said, "could substantially reduce the federal deficit and improve the saving and investment imbalance in the United States, which is the domestic side of the current-account imbalance."

World Stock Markets

Via Agence France Presse Closing prices in local currencies, June 12

Amsterdam

	Close	Prev.
ABN Bank	42.60	42.50
ACF Holding	50.70	51.50
Aegon	99.90	99.10
Ahold	121.20	121.70
Akzo	150.50	150.50
AMEV	52.40	52.30
A'Dam Rubber	7.90	8.10
Amro Bank	82.50	83.10
Bols	145.20	145.30
Buhrmann Tett	69.70	69.60
BVG	[illegible]	[illegible]
Center Parcs	[illegible]	[illegible]
CSM	67.10	66.50
DAF	57	57.30
DSM	137.40	137.80
Elsevier	73.20	73.30
Fokker	41.80	42.10
Gist-Brocades	34.70	34.60
Heineken	115.20	114.50
Hoogovens	107.40	108.90
Hunter Douglas	117.50	117
IHC Caland	[illegible]	[illegible]
Int Mueller	[illegible]	[illegible]
KLM	49	48.90
KNP	60.50	60.70
Nat Neder	64.80	64.30
Nedlloyd	438.50	429
NMB Bank	235	234.50
Oce Grinten	315	318
Pakhoed	137.30	136.30
Philips	39	39
Robeco	104.30	104.20
Rodamco	145.40	145.20
Rolinco	105	104.60
Rorento	61.80	61.70
Royal Dutch	138.20	138
Unilever	140.10	139.40
Van Ommeren	46.30	46.90
VMF Stork	37.60	38
VNU	110.50	110.80
Wessanen	91.40	90.20
Wolters/Kluwer	181.50	177.50

ANP-CBS Gen'l Index : 186.70
Previous : 185.90

Brussels

	Close	Prev.
Arbed	6200	6190
Bekaert	14700	14800
Cockerill	367	365
Cobepa	5710	5720
Delhaize	5560	5580
EBES	4740	4770
GB-Inno-BM	[illegible]	[illegible]
GBL	[illegible]	[illegible]
Gevaert	[illegible]	[illegible]
Hoboken	17450	17400
Intercom	3640	3650
Kredietbank	4600	4640
Petrofina	13850	13200
Royale Belge	5150	5200
Soc Gen Banque	[illegible]	[illegible]
Sofina	12800	12750
Solvay	15100	15025
Tractebel	9750	9650
UCB	11650	11650
Unerg	2695	2720

Current Stock Index : 6128.37
Previous : 6128.49

Frankfurt

	Close	Prev.
AEG	212	215
Allianz Hldg	1805	1797
Altana	403	403
Asko Dt. Kfhs	844	851
BASF	312.30	312.10
Bayer	312.50	311.90
Bay. Hypo bank	384	385
Bay Vereinsbank	365	367
BBC	437	435.50
BHF-Bank	452	454
BMW	570.50	571
Commerzbank	241.30	242
Continental	292	292.50
Daimler-Benz	687	670.50
Degussa	461	461
Dt. Babcock	187	186
Deutsche Bank	563	564.80
Dresdner Bank	323	324.50
Feldmuehle	367.50	368
Harpener	[illegible]	[illegible]
Henkel	[illegible]	[illegible]
Hochtief	853	845.50
Hoechst	300	300.10
Hoesch	274	277.50
Holzmann	[illegible]	[illegible]
Horten	249	251
Hussel	[illegible]	[illegible]
IWKA	297.80	299.50
Kali + Salz	203	201.50
Karstadt	[illegible]	[illegible]
Kaufhof	493	492.50
KHD	181.50	182
Kloeckner Werke	174.80	176
Krupp Stahl	244.90	[illegible]
Linde	[illegible]	[illegible]
Lufthansa	187	188
MAN	[illegible]	[illegible]
Mannesmann	251	252.50
Metallgesell	[illegible]	[illegible]
Muench Rueck	2300	2150
Nixdorf	303.80	311
PKI	567.50	568
Porsche	765	760
Preussag	299.50	298.50
PWA	307.50	307.50
RWE	297.50	295
Rheinmetall	400	400
Schering	668.20	663.70
SEL	312	315
Siemens	553.50	555
Thyssen	257	257
Varta	[illegible]	[illegible]
Veba	303.80	303
VEW	187	187
Viag	320.30	318
Volkswagen	416.50	416
Wella	612.50	621

Commerzbank Index : 1782.60
Previous : 1785.40
FAZ Index : 608.12
Previous : 608.91

Helsinki

	Close	Prev.
Amer A	166	166
Enso-Gutzeit	38	37.50
Finnish Sugar	107	108
K.O.P.	64.50	65
Kymmene	124	N.Q.
Nokia	132	133
Pohjola	275	[illegible]
Stockmann	271	273
Utd Paper	135	135
Wartsila	N.Q.	430

Unitas Index : 582.30
Previous : 580.40

Hong Kong

	Close	Prev.
Bk East Asia	14	12.90
Cathay Pacific	8.90	8.60
Cavendish Int'l	2.75	2.85
Cheung Kong	7.90	7.15
China Light Pwr	12.10	11.30
Dairy Farm Int'l	7.05	6.10
Hang Lung Dev	3.75	3.35
Hang Seng Bank	21.10	20.40
Henderson Land	3.875	3.45
HK Air Eng.	17.10	15.50
HK China Gas	14.40	14.30
HK Electric Hdgs	7	6.75
HK Land	7.90	7.40
HK Realty Trust	4.40	4
HK Shang Bank	5.75	5.45
HK Shel Htls	4.45	4.15
HK Telecomm	4.50	4.40
HK-TVB	8.80	8
HK Ferry	4.10	3.675
Hutch Whampoa	8.40	7.40
Hysan Dev	1.25	1.11
Jardine Math.	19.30	17
Jardin Strat Hdg	11.10	10
Kowloon Motor	6.75	6.40
Mandarin Orient	4.15	4.05
Miramar Hotel	5.45	4.45
New World Dev	8.25	7.45
SHK Props	[illegible]	8
Stelux	1.54	1.35
Swire Pac A	15.30	14.20
Tai Cheung Prps	3.45	3.25
Wharf Hold.	7.90	7.30
Wing On Co	4.90	4.125
Winsor Ind.	8.05	7.20
World Int'l Hdgs	3.30	3.05

Hang Seng Index : 2448.21
Previous : 2269.36

Johannesburg

	Close	Prev.
AECI	1750	1780
Altech	8400	8400
Anglo American	8100	8325
Barlows	4050	4125
Blyvoor	1175	1140
Buffels	4500	4700
GFSA	6700	6900
Harmony	2175	2175
Highveld Steel	2050	2050
Kloof	3225	3225
Nedbank	800	825
Rusplat	6100	6150
SA Brews	2200	2250
St Helena	2950	3000
Sasol	1225	1220
Welkom	1850	1975
Western Deep	11100	11300

Composite Stock Index : 2491
Previous : 2521

London

	Close	Prev.
AA Corp $	18⅞	19¼
Allied Lyons	436	434
Anglo Am Gd $	63¾	64¼
Ass Brit Foods	368	365
Asda-MFI Gp	173½	171
BAA	358	359
Barclays	452	454
Bass	965	970
B.A.T.	622	620
Beecham	562	562
Blue Circle	277	277
Boc Group	387	387
Boots	242	242
Bowater Ind.	475	475
British Aero.	578	585
Brit Airways	[illegible]	[illegible]
British Gas	184½	185½
BP	295	294½
British Telec.	277	277½
BTR	371	373
Burmah	590½	594
Cable Wireless	575	573
Cadbury Schw	356	356
Charter Cons.	504	504
Commercial U	366	370
Cons Gold Fd	12 29/64	12½
Cookson Gp	238	238
Courtaulds	336	338
Dalgety	357	357
De Beers	15⅝	15⅝
Dixons	146	150
Driefontein $	9¾	9¾
Fisons	297	303
Free St Ged $	6⅞	7
Gateway	215½	216½
Gen Accident	938	938
GEC	232	232
GKN	[illegible]	[illegible]
Glaxo	13 33/64	13 31/64
Grand Met	535	542
GRE	198	197½
Guinness	499	496
Gus	[illegible]	[illegible]
Hanson	199	199
Hawker	705	712
ICI	12 17/32	12 29/64
Jaguar	[illegible]	[illegible]
Kingfisher	[illegible]	[illegible]
Land Sec	[illegible]	[illegible]
Legal and Gen	[illegible]	[illegible]
Lloyds Bank	[illegible]	[illegible]
Lonrho	[illegible]	[illegible]
Lucas	[illegible]	[illegible]
Marks & Sp	[illegible]	[illegible]
Maxwell Com	[illegible]	[illegible]
Metal Box	[illegible]	[illegible]
Midland Bank	[illegible]	[illegible]
Nat.West.Bk	[illegible]	[illegible]
Pearson	[illegible]	[illegible]
P and O	[illegible]	[illegible]
Pilkington	[illegible]	[illegible]
Plessey	[illegible]	[illegible]
Prudential	[illegible]	[illegible]
Racal Elec	[illegible]	[illegible]
Randfontein $	[illegible]	[illegible]
Rank	[illegible]	[illegible]
Reed Internat.	[illegible]	[illegible]
Reuters	[illegible]	[illegible]
Rolls-Royce	191½	197½
Royal Dutch	[illegible]	[illegible]
RTZ	[illegible]	[illegible]
Saatchi	[illegible]	[illegible]
Sainsbury	248	248½
Sears Holding	117	118½
Shell	409	410½
STC	[illegible]	[illegible]
Std Chart.Bk	[illegible]	[illegible]
Storehouse	[illegible]	[illegible]
Sun Alliance	10 63/64	11 3/64
Tate and Lyle	[illegible]	[illegible]
Tesco	180	181½
Thorn Emi	[illegible]	[illegible]
T.I. Group	447	451
Trafalgar Hse	[illegible]	[illegible]
THF	[illegible]	[illegible]
Ultramar	[illegible]	[illegible]
Unilever	[illegible]	[illegible]
Utd Biscuits	[illegible]	[illegible]
Vickers	208	212
War Loan 3½ £	37¾	37¾
Wellcome Gp	428	430

F.T. 30 Index : 1770.40
Previous : 1775.70
F.T.S.E. 100 Index : 2138.30
Previous : 2142.10

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	1050	1045
Bco. Central	1030	1030
Bco. Santander	842	837
Banesto	1160	1170
CEPSA	502	511
Dragados	605	612
Espl. Rio Tinto	319.50	319.50
Hidroelec. Esp.	N.A.	95.75
Iberduero	124.50	128.50
Telefonica	202.75	197.50

General Index : 316.74
Previous : 314.52

Milan

	Close	Prev.
Banca Comm	4475	4415
Bastogi	411	410
Cigahotels	[illegible]	[illegible]
CIR	[illegible]	[illegible]
Cred Ital	[illegible]	[illegible]
Eridania	6450	6490
Ferruzzi Fin.	3195	3158
Ferruzzi Agr.	2290	2244
Fiat	[illegible]	[illegible]
Generali	41900	41550
IFI	19350	19405
Italcem	[illegible]	11300
Italgas	[illegible]	[illegible]
Italmobiliare	[illegible]	[illegible]
Mediobanca	21760	21750
Montedison	2185	2210
NBA	[illegible]	[illegible]
Olivetti	[illegible]	[illegible]
Pirelli	[illegible]	[illegible]
RAS	[illegible]	[illegible]
Rinascente	[illegible]	[illegible]
Saipem	[illegible]	[illegible]
SIP	[illegible]	[illegible]
SME	[illegible]	[illegible]
Snia	[illegible]	[illegible]
Standa	26300	26500
Stet	4284	4150
Toro	20400	20440

a: x100.
MIB Index : 1065
Previous : 1062

Paris

	Close	Prev.
Accor	704	687
Air Liquide	627	625
Alsthom Atl.	630	622
Av Dassault	734	730
Bancaire	508	528
BIC	771	774
Bongrain	3060	3070
Bouygues	650	652
BSN-GD	686	674
Carrefour	3200	3172
Casino	[illegible]	[illegible]
C.G.E.	461	457
Chargeurs	1349	1357
Club Med	671	672
Dumez	1011	1017
Elf-Aquitaine	549	546
Europe 1	710	704
Gen. Eaux	2035	2048
Hachette	398	397
Havas	990	995
Imetal	378.70	385
Lafarge Coppee	1676	1685
Legrand	[illegible]	[illegible]
Oreal (L')	4080	4120
L.V.M.H.	[illegible]	[illegible]
Matra	349.50	335.10
Merlin Gerin	4445	4460
Michelin	203	204.90
Moulinex	133.30	136
Occidentale	899	898
Paribas	497	494.50
Pernod-Ricard	1281	1283
Perrier	1605	1618
Peugeot	1671	1676
Printemps (Au)	705	685
Radiotechnique	[illegible]	[illegible]
Raff. St. Louis	1374	1360
Redoute (La)	[illegible]	[illegible]
Roussel Uclaf	1820	1800
Saint Gobain	617	623
Sanofi	[illegible]	[illegible]
Skis Rossignol	1251	1251
Societ. Generale	507	510
Suez	[illegible]	[illegible]
Telemecanique	3425	3400
Thomson-CSF	227.50	227
Total	[illegible]	[illegible]
Valeo	797	788

Bourse trend index : — 0.59%
Previous : + 0.09%

Sao Paulo

June 9

	Close	Prev.
Banco do Brasil	1.12	1.22
Bradesco	0.15	0.15
Brahma	0.04	0.04
Paranapanema	0.92	1.04
Petrobras	5.72	6.27
Varig	0.36	0.37

Bovespa Index : N.A.
Previous : [illegible]

Singapore

	Close	Prev.
Cerebos	5.50	5.35
City Dev.	4.84	4.46
DBS	9.90	9.40
Fraser Neave	[illegible]	[illegible]
Genting	[illegible]	[illegible]
Harrisons Plant	2.02	2.02
Haw Par	[illegible]	[illegible]
Hume	2.78	2.74
Inchcape	6.50	6.40
Keppel	4.28	4.18
KL Kepong	3.56	3.46
Lum Chang	1.22	1.17
Malayan Banks	[illegible]	[illegible]
OCBC	[illegible]	[illegible]
OUB	[illegible]	[illegible]
OUE	7.45	7.05
Sembawang	4.50	4.32
Shangri-la	8.35	8
Sime Darby	3.54	3.36
SIA	13.60	13.30
S'pore Land	12.10	11.70
S'pore Press	7.70	7.45
S. Steamship	3.22	2.96
S. Trading	4.18	4.08
UOB	[illegible]	[illegible]
United Overseas	2.24	2.13

Straits Times Ind. : 1276.48
Previous : 1241.21

Stockholm

	Close	Prev.
AGA	238	238
Alfa Laval	N.Q.	410
Asea	[illegible]	[illegible]
Astra	[illegible]	[illegible]
Atlas Copco	[illegible]	[illegible]
Electrolux	318	320
Ericsson	[illegible]	[illegible]
Esselte	N.Q.	225
Handelsbanken	166	170
Pharmacia	189	192
Norsk Hydro	163	162
Saab-Scania	245	246
Sandvik	328	331
SCA	400	400
S-E. Banken	106	105
Skandia Int	N.Q.	—
Skanska	512	N.Q.
SKF	164	160
Stora	[illegible]	[illegible]
SwedishMatch	N.Q.	148
Volvo	436	436

Affaersvaerlden : 1194.20
Previous : 1192.70

Tokyo

	Close	Prev.
Akai	820	816
Asahi Chemical	1180	1200
Asahi Glass	[illegible]	[illegible]
Bank of Tokyo	1640	1650
Bridgestone	[illegible]	[illegible]
Canon	1830	1790
Casio	1440	1410
C.Itoh	995	990
Dai Nippon Print	2240	2230
Daiwa House	2130	2130
Daiwa Securities	2170	2200
Fanuc	6460	6300
Fuji Bank	[illegible]	[illegible]
Fuji Photo	[illegible]	[illegible]
Fujitsu	1500	1500
Hitachi	[illegible]	[illegible]
Hitachi Cable	1280	1280
Honda	1950	1940
Ito Yokado	3570	3490
Japan Air Lines	16800	17200
Kajima	2100	2140
Kansai Power	4540	4480
Kawasaki Steel	[illegible]	[illegible]
Kirin Brewery	1920	1910
Komatsu	[illegible]	[illegible]
Kubota	[illegible]	[illegible]
Kyocera	5300	5150
Matsu Elec Inds	2400	2400
Matsu Elec Wks	2020	2050
Mitsubishi Bank	3150	3180
Mitsubishi Kasei	1100	1130
Mitsubishi Elec	1130	1160
Mitsubishi Hvy	[illegible]	[illegible]
Mitsubishi Corp	[illegible]	[illegible]
Mitsui and Co	1020	1030
Mitsukoshi	[illegible]	[illegible]
Mitsumi	[illegible]	[illegible]
NEC	1850	1820
NGK Insulators	1730	1710
Nikko Securities	1770	1820
Nippon Kogaku	1420	1450
Nippon Oil	1460	1490
Nippon Steel	[illegible]	[illegible]
Nippon Yusen	997	1020
Nissan	1580	1600
Nomura Sec	3200	3250
NTT	1490a	1480a
Olympus Optical	1400	1400
Pioneer	[illegible]	[illegible]
Ricoh	[illegible]	[illegible]
Sanyo Elec	[illegible]	[illegible]
Sharp	1400	1380
Shimazu	1480	1470
Shinetsu Chem	1760	1770
Sony	[illegible]	[illegible]
Sumitomo Bank	[illegible]	[illegible]
Sumitomo Chem	945	955
Sumi Marine	1300	1320
Sumitomo Metal	[illegible]	[illegible]
Taisei Corp	1420	1450
Taisho Marine	[illegible]	[illegible]
Takeda Chem	[illegible]	[illegible]
TDK	[illegible]	[illegible]
Teijin	881	879
Tokyo Marine	2020	2030
Tokyo Elec Pwr	[illegible]	[illegible]
Toppan Printing	1920	1930
Toray Ind.	[illegible]	[illegible]
Toshiba	1400	1410
Toyota	2660	2680
Yamaichi Sec	1780	1800

a: x1000.
Nikkei 225 : [illegible]
Previous : [illegible]
New Index : [illegible]
Previous : [illegible]

Zurich

	Close	Prev.
Adia	8175	8250
Alusuisse	[illegible]	[illegible]
Bank Leu	2760	2760
Brown Boveri	4130	4150
Ciba Geigy	4020	4070
Credit Suisse	2500	2510
Electrowatt	2950	2950
Georg Fischer	1810	1805
Interdiscount	3350	3425
Jacob Suchard	[illegible]	[illegible]
Jelmoli	[illegible]	[illegible]
Landis Gyr	[illegible]	[illegible]
Moevenpick	5575	5550
Nestle	[illegible]	[illegible]
Oerlikon-B	1110	1135
Pargesa Holding	1730	1770
Roche Holding-B	[illegible]	[illegible]
Sandoz	2080	2110
Schindler	5900	5800
Sulzer	400	405
Surveillance	[illegible]	[illegible]
Swissair	[illegible]	[illegible]
SBC	[illegible]	[illegible]
Swiss Reinsur	1715	1725
Swiss Volksbank	1740	1750
Union Bank	[illegible]	[illegible]
Winterthur	[illegible]	[illegible]
Zurich Ins	[illegible]	[illegible]

S.B.C. Index : 622.20
Previous : 622.10

Market Closed

The stock market in Sydney was closed Monday for a holiday.

Toronto

June 12

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
4110	Abti Prce	$19½	19½	19½	— ⅛
7335	Agnico E	$8¾	8½	8¾	
144085	Air Canada	$13⅝	13⅛	13⅝	— ⅛
79609	Alt Energy	$17¾	17	17½	+ ⅛
2900	Alta Nat	$16¼	16⅛	16⅛	— ⅛
41580	A Barick	$25⅞	25⅛	25⅜	
7286	Atco I f	$10⅝	10½	10⅝	
374631	BCE Inc	$40⅛	39¾	40	+ ⅛
98100	BCED	295	293	294	
272021	BP Canada	$16¼	16	16	— ½
449303	Bank N S	$19	18⅝	18⅞	+ ⅛
5780	Baton	$13½	13½	13½	
35930	BCE Mobl	$37	35¾	35⅞	—1⅛
4400	Bralorne	31	30	31	+ 1
5850	Bramalea	$33½	32¾	33	
103118	BC Phone	$17⅜	17	17	— ⅛
2700	Brunswk	$11½	11⅛	11⅛	— ⅛
115720	CAE	$14½	14¼	14½	
115	CCL A	$10½	10½	10½	
3500	CCL B f	$10½	10½	10½	
7600	Cambior	$12⅞	12⅝	12⅞	+ ¼
95191	Campeau	$16⅝	16⅛	16⅜	+ ¼
5304	C Nor West	$7⅞	7¾	7⅞	— ¼
4134	C Packrs	$15	15	15	— ⅛
201873	CI Bk Com	$31⅝	31⅛	31⅜	
303808	CP Forest	$43	42½	43	+ ⅛
551336	CP Ltd	$23½	23⅛	23⅛	+ ½
108272	CTire A f	$22⅝	22	22⅛	
1500	C Util B	$22	22	22	+ ½
34000	Cantor	$24½	24⅛	24½	+ ⅛
100	Cara	$17½	17½	17½	+ ¼
3102	Celanese	$33	32⅝	32⅝	— ⅛
9703	Cntrl Cap	$13	12½	13	+ ½
17700	Cineplex	$15⅜	14⅞	15⅛	+ ¼
900	Conwest A	$11⅛	11⅛	11⅛	
136888	Corona A f	$8⅝	8⅜	8⅜	— ⅛
7218	Denison A p	$5⅝	5½	5½	— ⅛
4408	Denison B f	$5⅝	5⅜	5½	+ ⅛
12400	Derlan	$13⅝	13⅜	13⅝	+ ¼
4240	Dicknsn A f	480	475	475	+ 5
300	Dicknsn B	$5	5	5	
89419	Dofasco	$27⅝	27⅜	27⅝	
14500	Du Pont A	$24⅝	24½	24⅝	+ ¼
1700	Dylex A f	$11⅝	11½	11½	
18050	Emco	$11⅞	11¾	11¾	— ⅛
9900	Equity Svr A	410	400	405	
200	FCA Intl	$9⅞	9⅞	9⅞	
2635	FPI Ltd	$7⅞	7⅞	7⅞	
129826	Flcnbridge	$30⅝	30⅜	30½	— ¼
6108	Fed Ind A	$16½	16⅜	16⅜	— ⅛
200	Fed Pion	$13⅝	13⅝	13⅝	— ⅛
1500	F City Fin	$30¼	30	30¼	+ ¼
592	Fist CCan A	$17⅝	17⅝	17⅝	
1450	Fist C Inv	$22	21⅞	22	
400	Gendis A	$20⅛	20⅛	20⅛	
1400	GE Canada	$29⅛	29⅛	29⅛	
100	Gibraltar	$9⅞	9⅞	9⅞	— ⅛
30580	Goldcorp f	390	365	385	+15
3800	Graff G	$10½	10⅛	10⅛	— ⅛
1317	Hayes D	$14⅛	14⅛	14⅛	
234000	Hees Intl	$30⅛	29⅞	30⅛	+ ⅛
101987	Hemlo Gld	$14⅜	13⅞	14⅛	+ ⅛
30000	Hollinger I	$14⅛	14⅛	14⅛	
9988	H Bay Co	$30⅛	30	30¼	+ ⅛
30390	Imasco L	$35	34⅞	34⅞	— ⅛
98050	Inland Gas	$15⅛	14⅞	15⅛	
2375	Interhome	$49½	49	49½	+ ½
1200	Ipsco	$18⅛	18⅛	18⅛	
50900	Ivaco A f	$12	12	12	
2050	Jannock	$18⅞	18⅝	18⅞	+ ¼
300	Kerr Add	$19½	19½	19½	— ⅛
19928	Labatt	$24⅝	24⅜	24½	+ ¼
10450	Loblaw Co	$14¼	14⅛	14¼	+ ⅛
3650	Magna A f	$13½	13⅜	13⅜	
3300	MDS H A	$24⅛	24	24⅛	+ ⅛
118540	Mclan H X	$13⅞	13⅝	13⅞	— ⅛
6597	Maritime f	$17½	17⅛	17½	+ ¼
333	Mark Res	$7⅝	7⅝	7⅝	
1600	Minnova	$18⅞	18⅝	18⅞	
118871	Molson A f	$36½	36⅛	36½	+ ⅜
465	Molson B	$34½	34¼	34¼	+ ¼
441	N-W Gr	$6⅝	6⅝	6⅝	— ⅛
62730	Noranda F	$14	13¾	13⅞	— ⅛
148056	Noranda I	$23⅞	23½	23⅝	— ⅛
8821	Norcen	$25¼	25	25¼	+ ½
867370	Nova Cor f	$11	10⅞	10⅞	
50800	Nowsco W	$14⅝	14⅝	14⅝	— ⅛
8100	Onex C f	$14¾	14⅝	14¾	
6750	Oshawa A f	$27½	27¼	27½	
115926	PWA Corp	$17¼	17	17	— ¼
150	Pamour	$6⅞	6⅞	6⅞	+ ⅛
108	PanCan P	$26⅞	26⅞	26⅞	— ⅛
189049	Placer Dm	$15⅝	15⅜	15⅝	+ ⅛
33950	Poco Pete	$8	8	8	
1100	Que Sturg o	165	160	165	+10
11150	Rayrock I f	$8	7¾	7¾	— ⅛
42040	Renisanc	$16⅝	16	16½	— ⅜
10277	Rogers A	$140	140	140	+ 1
4125	Rogers B f	$117	116	116	— ½
500	Roman	$12¼	12¼	12¼	+ ¼
1000	Rothman	$62	62	62	+ 1
48434	Royal Bnk	$45½	45⅛	45½	+ ⅛
247984	Ry Trco	$18⅛	17¾	18	— ⅛
10933	Sceptre R	440	435	435	
13520	Scotts f	$17¼	16⅝	17⅛	
12525	Sears Can	$13⅞	13⅝	13¾	— ⅛
8084	SHL Systm	$11⅞	11⅝	11⅝	
48550	Shell Can	$43⅝	43	43	— ¾
3850	Sherritt	$12½	12⅜	12⅜	
52395	Southam	$35⅝	34⅞	35½	+ ⅛
9513	Spar Aero f	$13⅝	13⅜	13⅝	+ ¼
224414	Stelco A	$24⅛	23⅞	23⅞	— ⅛
65160	TCC Bev	$10⅝	10⅛	10½	
200	Teck Cor A	$21½	21⅛	21½	— ⅛
58704	Teck B f	$20⅝	20	20¼	— ⅜
207435	ThomCor	$19⅝	19⅜	19⅜	
182660	Tor Dm Bk	$41⅝	41⅜	41½	
7325	Torstar B f	$34½	34¼	34⅜	+ ⅛
500	Trns Mt	$15⅛	15⅛	15⅛	+ ⅛
44832	TrnAlta U	$15⅛	15	15	— ⅛
59981	TrCan PL	$14⅞	14⅛	14⅝	
4223	Trimac	430	425	425	
86324	Trilon A	$20⅝	20⅜	20⅜	— ⅛
27038	Trizec A f	$37⅝	36⅝	37⅜	+ ½
85150	Turbo	78	76	76	— 1
600	Unicorp A f	$7⅝	7	7⅝	+ ⅛
350	Un Carbid	$22⅞	22⅝	22⅝	— ⅛
1346	U Enterise	$9⅞	9⅞	9⅞	
1500	U Keno	375	375	375	
20	VGM Cap	435	435	435	
1803	Westmin	$9½	9½	9½	— ⅛
4600	Weston	$43	42½	43	
10142	Woodwd A	$5⅞	5⅞	5⅞	— ⅛

Total sales 21,455,007 shares

	Close	Previous
TSE 300 Index:	3,805.10	3,802.41

Montreal

June 12

Sales	Stock	High	Low	Close	Chg.
34682	Bank Mont	$32⅝	32¼	32½	— ⅛
104692	BombrdrA	$14⅛	13⅞	14	
100321	BombrdrB	$14⅛	13⅞	14⅛	+ ⅛
200	CB Pak	$18½	18½	18½	
11795	Cascades	$9⅝	9⅜	9⅝	+ ⅛
21098	DomTxtA	$15⅝	15⅛	15½	+ ⅛
4610	Memotec	$9⅞	9⅝	9⅝	
124440	NatBk Cda	$14⅝	14½	14⅝	+ ⅛
31275	Noverco	$12⅞	12½	12⅞	+ ⅛
44920	Power Corp	$15⅜	15	15⅜	+ ⅛
10344	Provigo	$10⅛	9⅞	10	+ ⅛
72050	SteinbrgA	$42⅝	41⅛	42½	+1
15096	Videotron	$19½	19⅛	19¼	— ⅛

Total Sales 7,027,058 shares.

	Close	Previous
Industrials Index:	1,694.74	1,694.65

SATIRE IN WORDS AND PICTURES
DOONESBURY
DAILY IN THE IHT

Monday's NASDAQ Prices

Prices as of 4 p.m. New York time.

This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
A										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
B-C										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
D-E-F										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
G-H-I										
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J-K-L										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
M-N										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R-S										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s). b — annual rate of dividend plus stock dividend. c — liquidating dividend. cld — called. d — new yearly low. e — dividend declared or paid in preceding 12 months. g — dividend in Canadian funds, subject to 15% non-residence tax. i — dividend declared after split-up or stock dividend. j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k — dividend declared or paid this year, an accumulative issue with dividends in arrears. n — new issue in the past 52 weeks. The high-low range begins with the start of trading. nd — next day delivery. P/E — price-earnings ratio. r — dividend declared or paid in preceding 12 months, plus stock dividend. s — stock split. Dividend begins with date of split. sls — sales. t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u — new yearly high. v — trading halted. vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd — when distributed. wi — when issued. ww — with warrants. x — ex-dividend or ex-rights. xdis — ex-distribution. xw — without warrants. y — ex-dividend and sales in full. yld — yield. z — sales in full.

SPORTS

Anatomy of a Race: Easy Goer Came of Age in the Belmont

By Steven Crist
New York Times Service

NEW YORK — To those whose interest in horse racing is piqued only by the prospect of a Triple Crown every few years, Easy Goer's eight-length trouncing of Sunday Silence in the 121st Belmont Stakes on Saturday may have been disappointing and baffling.

Sunday Silence had beaten Easy Goer by 2½ lengths in the Kentucky Derby and by a nose in the Preakness. Why didn't he beat him again?

The answer is simply that horses do not run the same race every time they go to the track, and their ability is a shifting rather than a fixed quality. What happened Saturday was that Easy Goer took an enormous stride forward.

Sunday Silence ran essentially the same race that was good enough to win him the Derby and Preakness, but it was no match for Easy Goer's explosive performance Saturday.

"This is the race I was expecting from him all along," Shug McGaughey, Easy Goer's trainer, said. "I was disappointed after the Derby, but I knew he just hadn't liked the muddy track, so I threw it out.

"In the Preakness, he ran better. But I still thought he had an even bigger race in him. I thought so much of this horse, I knew I couldn't be that wrong about him."

While casual observers might wonder whether Easy Goer went forward or Sunday Silence went backward Saturday, students of running times believe they can answer that question definitively. They say that the Belmont was a pure case of forward motion by the winner.

Easy Goer's final time of 2:26.01 for a mile and a half was the second-fastest Belmont; the fastest was Secretariat's world-record 2:24 in 1973, widely considered the most brilliant racing performance in the last 20 years.

Fast running times are often largely the product of extremely lively track surfaces, but Easy Goer's was not. Six other races were run on the main dirt track at Belmont Sunday, and not one of them was more than one full second faster than average.

The question then becomes why Easy Goer suddenly made this great leap on Belmont Day rather than in the Derby and the Preakness.

The spring of a race horse's 3-year-old campaign is often a time of sudden mental and physical maturity, the equivalent of a transition from adolescence to adulthood.

A horse who competes in all three legs of the Triple Crown — three races at long distances over three different tracks in five weeks — is often either knocked out by the demands, or forged into a much better horse.

"I think there's something to the idea that the Preakness toughened him up mentally and made him a man," McGaughey said of Easy Goer.

Easy Goer had all the tools and credentials to fashion the performance he turned in Saturday: a regal pedigree (by Alydar and Relaxing), championship form as a 2-year-old, and the sort of raw ability that allowed him to run the fastest mile ever by a 3-year-old when he won the Gotham Stakes April 8 in 1:32 3/5.

Now that Easy Goer has reached a new peak of performance, will he maintain it, exceed it, or reach it again only on occasion? A fourth showdown with Sunday Silence, who became the 12th Derby and Preakness winner to lose the Belmont instead of the 12th to win it, might have to wait until then the $3 million Breeders' Cup Classic at Gulfstream Park on Nov. 4.

Charlie Whittingham, Sunday Silence's trainer, planned to fly back to California with his colt on a cargo plane Monday, then give him "an easy month," the trainer said.

Le Voyageur, who flew in for the race with a dismal European record but set the pace for a mile and finished a fine third, is going back to France this week.

His strong performance was the most surprising aspect of the race. Clearly, this purple-pedigreed son of Seattle Slew and Davona Dale was meant to run on American dirt instead of European grass, and his handlers are talking about returning here for the Breeders' Cup.

French Open: Youth's Tide Rises

By Nick Stout
International Herald Tribune

PARIS — With the emergence of two 17-year-old champions whom nobody would have placed a nickel on at the outset, the 1989 French Open lived up to its reputation as a setting for surprises.

Not only did the tournament introduce Michael Chang and Arantxa Sanchez as champion-

ANALYSIS

ship players to the rest of the world, but it also put a spotlight on a number of other little-known young players. This would not mean so much if Paris were just another of the many events on the tennis calendar. But the French Open, with its famous red clay courts, is perhaps the toughest tournament of all; it is no coincidence that it is often a harbinger of heroes.

It was here in 1982 that Mats Wilander vaulted to prominence, and in 1987 that Steffi Graf emerged as the undisputable queen of tennis by upsetting Martina Navratilova in the final.

Whether Chang and Sanchez can live up to their new reputations remains to be seen.

Chang, the wily Californian who may be remembered here more for his upset of Ivan Lendl in the fourth round than for his $300,000 victory over Stefan Edberg in the final, was only one of three young American men who excelled in Paris.

Jim Courier, an 18-year-old baseball fanatic from Dade City, Florida, upset the fifth-ranked Andre Agassi in the third round and came within a hair of beating Andrei Chesnokov in the fourth. And Jay Berger, 22, was a surprise quarterfinalist after bouncing Jimmy Connors in the second round. It was Connors's earliest exit from Paris since 1973.

This is all exciting because it gives rise to the prospect of a generation of Americans who, for once, can handle themselves on clay. Courier said he expects more young Americans to emerge.

"The trend in the U.S. is going to be getting away from college and joining the pros early," he said, noting that there are fewer and fewer players who stay in the game past 30. "You've got to get your experience now."

The most spectacular match of the tournament was Chang's agonizing 4-6, 4-6, 6-3, 6-3, 6-3 victory over Lendl. But in crediting Chang with a brilliant triumph, many people overlooked an equally important facet of the match: the amazing inability of the world's top player to pounce on an opponent visibly weakened with leg cramps. In short, Lendl choked under pressure, something that could do wonders for the confidence of his future adversaries.

Lendl seemed to concede as much, saying: "After four hours we were obviously both tired. It was hard to generate the pace and hard to make him run more. It was just a lottery out there."

Not everyone would agree that the match was a lottery. José Higueras, Chang's clay-court coach, said his pupil won because he had "the head of a champion."

"Champions raise their game for the occasion," he said. "He plays his best tennis on the big points."

Sanchez, for her part, underscored the vulnerability of Graf, who lost for only the second time in nine tournaments this year.

"I am one of the top 10 players in the world," Sanchez said happily, "and now I have won this tournament, so we'll see how high I go. I still have a lot to learn, but I'm maturing very quickly."

Juan Nuñez, the former Chilean Davis Cup player who has been coaching Sanchez since February, predicted that Sanchez would soon be among the top three players.

"And she can stay there for a very long time," he said. "She just has to believe that she can play on all the surfaces."

He said the key to her victory was attitude.

"She has a lot of charisma and she loves tennis," Nuñez said. "In fact, she has two different personalities. Off the court she is very sweet and kind, but on the court she's a lion."

Another lion who roared into prominence was Monica Seles, the 15-year-old Yugoslav who gave Graf a tough match in the semifinals. In the three tournaments Seles has played this year, she has won one and reached the semifinals in the others.

"It doesn't matter that I lost," she said after playing Graf. "I'm going to lose to worse people than her." Then she added with a smile, "I have a few more years to win this tournament."

So does Mary Joe Fernandez, whose high school commencement ceremony was taking place in Miami on the day she lost to Sanchez in the semifinal. Fernandez had done Sanchez the favor of eliminating Gabriela Sabatini, the No. 2 seed, in the fourth round.

With all these teen-agers tearing up the French Open, few people seemed to miss Navratilova and Chris Evert, who both passed up the tournament for the first time in a decade. But their absence gave a new perspective to the event. It was not so much that they were missing from the courts; Sanchez and Graf and others made up for that. Rather, their absence deprived the women's tournament of two mature, articulate spokeswomen. The teen-agers have a long way to go before they can fill that role.

Eric Gaillard/Reuters

Arantxa Sanchez, a leader among the emerging young players.

Chang: A Leap From Ping-Pong

By Bud Collins
International Herald Tribune

PARIS — Although you may not be a Mao Zedong fan, you'll have to admit that the old revolutionary, indirectly, did a big favor for American tennis.

After toiling 16 hours for his last four victories, 17-year-old Michael Chang completed the most improbable of all French Open triumphs. Suddenly the melting-pot Californian was one of the wonders of the sporting world.

Consider that two years ago, Michael was playing on concrete for the Southern California schoolboy title — and lost the final to his older brother, Carl. Consider that on Sunday Michael was contesting his second professional final, while Stefan Edberg, 23, was in his 35th, having won 19. Also consider that he was, at 17, probably the greenest man ever to decorate the final of a major championship, and it was merely his fourth tournament on clay.

So what's the angle on Chairman Mao? If he had not made his Long March, Michael Chang would not have accomplished his short jump to a major title.

It was the Communist takeover that drove both sets of Michael's grandparents to Taiwan. Eventually they settled in the United States, where two of their children, Michael's father, Joe, and mother, Betty, attended college, became chemists, met and married.

Although Joe is Michael's original coach, the career dates to Betty's encounter with a brick wall in New York City.

"I began to sort of play there," she smiles, "hitting against the wall with a racket I bought for a dollar. It was fun. Then Joe started, and pretty soon we were playing on public courts."

"We were living in St. Paul when Michael, about 4, was attracted to our ping-pong table. That was his first racket, and the way he takes the ball so early, I think, comes from ping-pong."

Joe believes "the start of all this" was at the Southern California junior championships in 1987. Michael was losing the final, 2-5 in the third set. A lot was riding on that — a place on the national team with maybe a chance to play in the U.S. Open.

"Michael won it by two points, 7-5, in the tiebreaker, and was on his way," his father recalled.

Agence France-Presse

Suddenly, Michael Chang is a wonder of the sporting world.

After beating an Australian Davis Cup regular, Paul McNamee, at Flushing Meadow when he was 15, Michael felt the commercial pressures to turn professional.

"We thought it over a long time," Joe said. "So many people told us Michael was too young, many of them concerned people. We were very concerned, too."

"I don't have money," he added. Not the kind it takes to keep a top junior on the road — maybe $30,000 a year or more.

"We listened to Paul Fireman, the head of Reebok shoes, who was reasonable," Joe said. "If we signed with them, there would be no expectations for three years. But we would have enough so that Michael and his mother could travel without pressure."

It is believed to be a $250,000 guarantee, and it has paid off well ahead of time.

Carl Chang, 20, is considered by the family to be Michael's inspiration. A member of the University of California varsity team, he ranks as one of the better U.S. college players.

"Carl's an attacking player, and it was Michael's goal to beat him," says their father. "Finally he did, three years ago, and after that Michael has always liked to play against big hitters, to pass them."

"I think Michael gets his manner, which is very thoughtful and diplomatic, from Betty's father," Joe said. The grandfather was a Yale graduate and served the Chiang Kai-shek government of Taiwan in ambassadorial roles, one of them to India and another at the United Nations.

"Michael wins," says his father, "because he can figure things out in the pressure of a match. Once I tried to instruct him how to beat an opponent. Michael hardly got a game. That taught me something about coaching him. Michael can figure out the match on his own."

Devout about religion and tennis, Michael is not overbearing on either subject. He did thank "the Lord Jesus" in his post-match speech at Roland Garros Stadium on Sunday.

Anybody who watched the French Open would imagine the U.S. Davis Cup captain, Tom Gorman, phoning Michael immediately to offer a singles spot against West Germany in Munich in July, two weeks after Wimbledon. Chang made his Davis Cup debut impressively in the first-round victory over Paraguay as a singles starter with Andre Agassi. McEnroe replaced him for the next victory, over France.

But no phone calls are expected. "We've understood all along," says Joe, "that Agassi and McEnroe have the spots. That's fine with us. Michael has time. He'll be very tired after Wimbledon, anyway."

He added: "One of the nicest things about this is the response we've had from so many Chinese-American newspapers in this awful time for China. Editors call us and say: 'At least we have something good with Michael to go with all the bad news.'"

Something very good, too, for downtrodden American tennis fans, who waited 34 years for a French men's title.

CHESS

By Robert Byrne

IF you're the champion, the world hangs with bated breath on your every sneeze. That was evident from what happened in the Fourth World Cup Tournament, which ended April 20 in Barcelona, Spain.

After Gary Kasparov got off to a weak start in the event and was not doing anything noteworthy at the halfway mark, nose and face watchers spotted what they called a rash befouling the countenance of the title-holder from the Soviet Union. They commiserated with him in that this illness would take him out of contention in one of the most important competitions of the year.

Their anxiety on his behalf was confirmed when he found it necessary to take an illness postponement of his 10th-round game with the British grandmaster Jonathan Speelman.

But as the Seattle grandmaster Yasser Seirawan reported in the May 14 issue of "Inside Chess," the only visible traces of debility to Kasparov were a few fever blisters on his upper left lip. As for that virus infection, it did not prevent him from defeating Speelman in a makeup session a few days later, nor stop him from eventually sharing first place in the tournament.

By the time the 12th round was reached, Kasparov was mowing opponents down, as can be seen in his incisive defeat of his countryman, Valery Salov.

Many players are quite happy these days to let White achieve the Maroczy Bind that arose after 5...cd 6 Nd4 because it presents them with the opportunity to set up the hippopotamus formation that Salov was two-thirds of the way toward realizing after 11...e6. The trouble was that Kasparov struck breathtakingly early with the disruptive knight-sacrifice 12 Nd5!

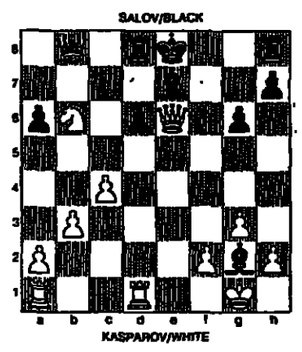
On 12...ed, there could have followed 13 ed Kd8 14 Re1 Nc5 15 Bg5 Be7 16 Nf5 Re8 17 b4 Na4 18 Ng7 Rg8 19 Bf6 Bf6 20 Qe8! Re8 21 Re8 Kd7 22 Bb3 mate. Thus, Salov braced for defense with 12...Qb8.

On 15 Bf6!, Salov could not well recapture with 15...Bf6 because of 16 Nf6 Nf6 17 e5! de (or 17...Bg2 18 ef Bb7 19 Ne6!) 18 Bb7 Qb7 19 Qe5 Qe7 (or 19...Ke7 20 Ne6! fe 21 Rd6! with a decisive attack) 20 Nc6! Rc6 21 Qb8. But 15...Nf6 16 Nb6 meant the loss of a pawn.

After 17 e5!, Salov should have played 17...de because it seems that White has only a superior ending after 18 Nc6 Bc6 19 Bc6 Ke7. His aiming for a refutation with 17...Bg2? stepped into the path of a devastating attack with 18 ef Bf6 19 Ne6! fe 20 Qe6. Salov had probably overlooked that on 20...Be7, White had the powerful 21 c5! at his disposal.

It would not have helped Salov to play 21...Bc6 in view of 22 Rac1 Bd7 23 Nd7 Rd7 24 cd Rd6 25 Rd6 Qd6 26 Rc8. His actual 21...Bb7 was treated just as roughly by 22 Re1 Qc7 23 c6! Bc6 24 Rac1!, threatening 25 Rc6!

The sharpest of several ways to win was 26 Qc4! Bb7 27 Qc7! Salov fatalistically played 27...Rf8 28 Qb8! Kf7, but after 29 Rc7!, there was no way for Black to avoid losing decisive material. Salov gave up.



Position after 20 . . . Be7

ENGLISH OPENING

White Kasparov	Black Salov	White Kasparov	Black Salov
1 Nf3	Nf6	16 Nb6	Rd8
2 c4	b6	17 e5	Bg2
3 Nc3	c5	18 ef	Bf6
4 e4	d6	19 Ne6	fe
5 d4	cd	20 Qe6	Be7
6 Nd4	Bb7	21 c5	Bb7
7 Qe2	Nbd7	22 Re1	Qc7
8 g3	Rc8	23 c6	Bc6
9 Bg2	a6	24 Rac1	Rd7
10 O-O	Qc7	25 Nd7	Qd7
11 b3	e6	26 Qc4	Bb7
12 Nd5	Qb8	27 Qc7	Rf8
13 Rd1	g6	28 Qb8	Kf7
14 Bg5	Bg7	29 Rc7	Resigns
15 Bf6	Nf6		

BOOKS

WHITE BADGE: A Novel of Korea

By Ahn Junghyo. 337 pages. $19.95. Soho Press Inc. One Union Square, New York, N. Y. 10003

Reviewed by Herbert Mitgang

FROM a corner of Asia unfamiliar as a source of fiction comes a welcome novel that tells much, almost too much, about the influence of American culture in the world. "White Badge" is subtitled "A Novel of Korea," but it holds few mysteries for an American reader.

In part, it is a novel about a Korean book editor influenced by American television and literature more than by his own traditions. The novel calls for a new category: occupation fiction. It's not only that old villain Coca-Colonization but also late-night talk shows and Hollywood films that are linked in this familiar and frightening cross-cultural story.

What propels the novel is war and the memory of war. War influences the narrator, Han Kiju. He has lived through two wars in which the United States played the main roles — the one in his own country and the one in Vietnam.

Early in "White Badge" (the title refers to the emblem of his army division as well as to the Asian color for mourning), the author-narrator sits alone in Seoul, sipping a beer and staring at the mountains behind the president's house. He muses:

"Once a president who lived there sent us to Vietnam for whatever reasons he deemed right and profitable for his nation. International prestige, perhaps, or an expression of gratitude to the U.S. for their helping us during the Korean War. Or national welfare.

"Whatever the reasons. The blood money we had to earn at the price of our lives fueled the modernization and development of the country. And owing to our contribution, the Republic of Korea, or at least a higher echelon of it, made a gigantic stride into the world market. Lives for sale. National mercenaries."

He goes about his job as a book editor for a publishing house that needs instant best sellers every month. The author (who translated his own novel into fluent, slangy English) draws parallels to the American book business.

He does not take his work too seriously. Instead, at editorial meetings, he lectures his colleagues on Chinese culture since Mao's death.

In the second part of "White Badge," the reader is transported back to the Korean division during the Vietnam War. Here the novel gains momentum and originality. The author creates a group of characters in his platoon who are funny, brave, frightened, troubled and individualistic.

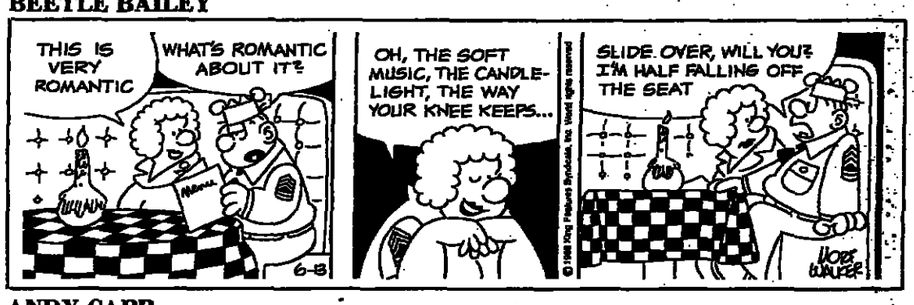
Their talk is properly vulgar, their motives confused. The descriptions of war in the napalmed jungle are authentic. The author makes their presence altogether human, and his combat scenes, including atrocities, are sad and ugly.

Even with all its Americanisms, "White Badge" is a realistic Korean novel by an author who is opening up new fictional territory.

Herbert Mitgang is on the staff of The New York Times.

PEANUTS

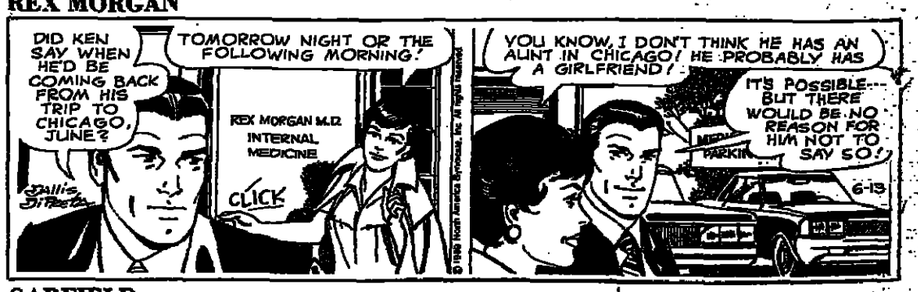
BEETLE BAILEY



ANDY CAPP

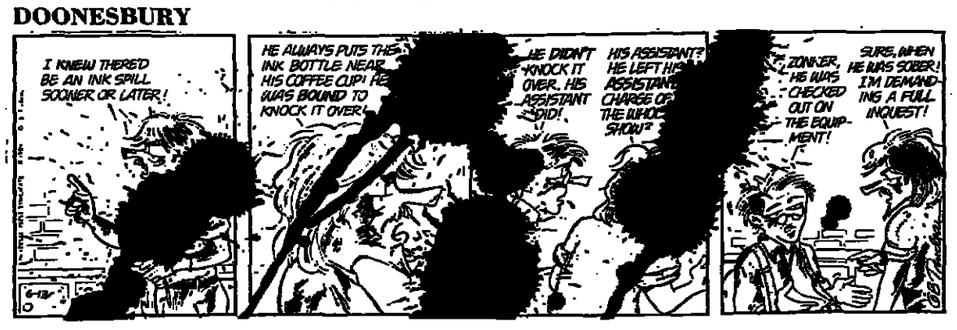
WIZARD of ID

REX MORGAN



GARFIELD

DOONESBURY



DENNIS THE MENACE

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

GOBUH
YACKT
EGWAIH
CHURCO

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: "____"

(Answers tomorrow)

Yesterday's Jumbles: FEINT AGING GARBLE TANGLE
Answer: In a politician, the gift of gab is often connected with this—THE GIFT OF GRAB

SPORTS

Lasorda Reshuffles the Deck And Dodgers Finesse a Slump

Compiled by Our Staff From Dispatches

In the wake of what he said was a sleepless night, frustrated by his team's ongoing offensive struggle, Los Angeles Dodgers manager Tom Lasorda moved Kirk Gibson from third to first in the batting order, elevated Eddie Murray from fourth to third and employed Mike Davis as the cleanup hitter.

The result?

It can't exactly be said that the Dodgers snapped their slump.

They collected only four singles as their team average dropped from

BASEBALL ROUNDUP

.227 to .226, but the wildness of Scott Scudder, the Cincinnati Reds rookie, plus some creative strategy by Lasorda and a six-hitter by Tim Leary and Jay Howell were enough to defeat the Reds, 3-1, in Los Angeles.

"All I see is the 'W' and that's what's sweet," second baseman Willie Randolph said of a win that was only the Dodgers' fourth in their last 11 games and enabled them to stay within seven of the Houston Astros, who lead the Reds and San Francisco Giants by one game in the National League West.

Gibson went hitless in three at-bats, but he walked and scored in the third, when the Dodgers snapped a string of 23 scoreless innings.

Davis, 1-for-31 at the time, flared a two-run, bases-loaded single in that inning after Randolph sent Gibson to third on a hit-and-run single to left-center, Randolph taking second when Eric Davis threw to the plate. Murray was walked intentionally, and Davis looped his single over shortstop Barry Larkin for a rare lead.

Randolph, whose bat control seems better suited to the No. 2 position in the batting order than the leadoff spot he has been asked to fill on occasion, singled in the Dodgers' third run in the fourth after Alfredo Griffin walked and was sacrificed to second by Leary.

"Randolph is an exceptional No. 2 hitter if we can get someone on who can run and steal," Lasorda said. "With Kirk up there, we can manufacture runs."

"We need a catalyst, we had to do something. We'll keep him up there and see what happens, see if he can turn the offense on."

Gibson said he couldn't remember the last time he batted leadoff, but would give it his customary aggressiveness.

"We need to be more cohesive," Gibson said. "We need to work together as a lineup and that hasn't been the case. If I'm going to bat leadoff, I'll do my part to try and create easy runs."

"I'll be aggressive and let them (the opposition) know I'm going to be aggressive. I mean, if they want to throw Willie junk, I'm going to be on second, no doubt about it. I'm going to be running."

"If we start manufacturing runs, the guys will relax at the plate and swing like they're capable. We need to have more diversity."

Cardinals 10, Cubs 7: In Chicago, Ozzie Smith had the first five-hit game of his career and St. Louis rallied for eight runs in the seventh inning. Tom Brunansky drove in three runs in the seventh with a two-run home run and an RBI single. Smith and Pedro Guerrero also had two hits each in the inning.

Astros 10, Braves 6: In Houston, Bill Doran hit his second career grand slam in a seven-run second inning for Houston. The Astros have won 16 of their last 17 games. Jim Deshaies won for the sixth time in seven decisions.

Giants 3, Padres 1: In San Francisco, Will Clark hit a two-out, two-run home run off Mark Davis in the 12th. San Diego led 1-0 before Greg Litton's leadoff home run in the ninth. Rich Gossage won his first game with the Giants.

Yankees 8, Red Sox 7: In New York, pinch-hitter Rickey Henderson snapped an eighth-inning tie with a run-scoring single, and Don Mattingly hit a pair of two-run home runs as New York completed a doubleheader sweep. The Yankees won the first game 4-2.

Mattingly was 5-for-8 with six RBIs in the doubleheader.

Boston scored five times in the top of the eighth to make it 7-all before Henderson's single.

Royals 5, Angels 3: In Kansas City, Missouri, Bob Boone, who left California last season as a free agent, hit a three-run home run that lifted the Royals to a three-game sweep. Boone's home run — his first since August 1988 — capped a four-run rally in the sixth and made a winner of Terry Leach in his American League debut. Jim Abbott lost for the first time on the road. *(LAT, AP)*

Brother of Hearns Is Arrested in Killing

United Press International

SOUTHFIELD, Michigan — The brother of boxer Thomas Hearns was in jail Monday as a suspect in the shooting death of a woman at the boxer's home, but Hearns remained in Las Vegas to prepare for his bout with Sugar Ray Leonard.

The two boxers were scheduled to battle Monday night for the World Boxing Council super middleweight title.

Henry Hearns, 22, the youngest of nine Hearns siblings, was arrested Sunday on suspicion of homicide.

Bob Galbraith/The Associated Press

A dejected Magic Johnson leaving Game 3 after four minutes.

Pistons Take a 3-0 Lead Over the Limping Lakers

By David Aldridge
Washington Post Service

LOS ANGELES — The Detroit Pistons do not much care if Magic Johnson and Byron Scott are out of action for the Los Angeles Lakers. They know that the tables were turned last year and that there was no sympathy for being gallant and courageous in defeat. They know, as the Lakers coach, Pat Riley, said Sunday, that such talk is for losers.

So the Pistons passed around the hot hand Sunday, from Isiah Thomas in the first half to Joe Dumars's 21 points in the third quarter to Vinnie Johnson's 15 in the fourth, and they held off the Lakers for a 114-110 victory and a 3-0 stranglehold on the National Basketball Association championship series. Collectively, their backcourt scored 74 points in their third straight virtuoso performance.

Dumars wound up with 31 points, although he hardly played in the fourth quarter, and he made a last-minute block of a three-point shot by David Rivers that would have tied the game.

But Dumars sat out most of the final quarter as Vinnie Johnson scored 11 of Detroit's 13 points in the game's crucial stretch, when the Lakers were trying to summon up their own ghosts and pull out a desperately needed victory without Johnson and Scott. Johnson played only the first 4:46 of the game, because he was not able to stay on his injured hamstring.

Vinnie Johnson finished with 17 points and Thomas had 26 points and eight assists. Dennis Rodman,

NBA FINALS: GAME 3

playing despite severe back spasms that have plagued him for several days, controlled the rebounds again for Detroit with 19 rebounds to go with his 12 points.

"We hung in there, the way we had to," said Chuck Daly, the Pistons coach. "The object is to continue to stay close, overcome any emotional bursts combined with their ability, and try to stay in the game."

James Worthy scored 26 for Los Angeles and Kareem Abdul-Jabbar summoned up a heroic game out of his 42-year-old body with 24 points and 13 rebounds, his best game of the playoffs. Michael Cooper played the entire game at guard and had 15 points and 13 assists. But the Lakers, once again, could not handle Detroit's guards down the stretch.

So they find themselves in the same predicament from which no NBA team has ever extracted itself: winning the seven-game series after losing the first three games.

"It felt like every shot was going to fall, and most of them did," said Dumars, 12 of 21 from the floor, but nine of 14 in the second half. His marksmanship, as it did in Game 2, kept the Lakers from pulling away, during a quarter in which Los Angeles shot 74 percent (14 of 19) from the floor, yet led by just 88-86 afterward.

To that point, the Lakers had done what they had to do to stay in the game without Magic Johnson.

Without Johnson, Los Angeles went to Worthy and to Abdul-Jabbar, who was 10 of 19 from the floor. Tony Campbell was strong during the first half, when he scored all of his 11 points, and the Lakers pulled in 11 offensive rebounds by halftime, although they trailed 57-55.

In the third, the Lakers pressed the issue, but every time, Dumars had a response. Los Angeles hit its first seven shots in the third, taking a 72-67 lead when Orlando Woolridge went the length of the floor for a thunderous dunk.

Then Dumars scored and after Cooper pulled up for a jumper, Dumars rattled in a 20-footer. Woolridge scored. So did Dumars. Worthy scored. So did Dumars. Abdul-Jabbar threw in a turnaround, and then Dumars sank a technical-foul free throw.

"Joe's third quarter took a little of the juice out of them," Vinnie Johnson said, "because they couldn't pull away. Every time the crowd got into it he would make a big basket and quiet them down."

The fourth quarter has belonged to Detroit all post-season, and it did again Sunday. Los Angeles led by 94-90, but the Pistons tied the score at 94 and 96, and took the lead on Johnson's runner in the lane. Abdul-Jabbar tied it but Johnson hit again as Campbell fouled him, and the free throw made it 101-98 with 6:11 to play.

The Lakers kept it close, but this time it was Johnson who killed them. He made six of seven from the floor, helping put the Pistons up 109-104 with two minutes to play.

Thomas scored four points down the stretch, and the game looked finished with Detroit ahead by five. But Rivers made two free throws with 13 seconds left, and Green tied up Dumars on the next possession. Detroit knocked the ball out of bounds and the Lakers had one last chance.

But Dumars came back in. Rivers took the inbounds pass from Cooper and looked open on the left side, but Dumars came flying and swatted the shot away, corralled the ball and flipped it to Bill Laimbeer before falling out of bounds.

VANTAGE POINT/Tony Kornheiser

Lakers: Like a Great Sports Car Missing a Driver

Washington Post Service

LOS ANGELES — Mars Blackmon, a basketball-crazy, Lakers-loving character in Spike Lee's 1986 movie, "She's Gotta Have It," would understand. He would accept the inevitability of the Los Angeles Lakers losing the NBA finals.

He would hold a picture of Byron Scott in one hand and a picture of Magic Johnson in the other. Pointing to Scott, he would say, "This is an important player. He scores 20 points a game. If he is hurt, you are in trouble. But you can still win without him. Can do." Turning to Magic, he would say, "This is the essential player, the greatest winner since Bill Russell. He gives you 23 points, eight rebounds and 13 assists a game. Not even Federal Express delivers like he does. If he's hurt, you're finished. You cannot win." Reviewing the material, Blackmon would display Scott and say, "Can."

Then, Magic: "Can't."

Can. Can't.

"You have a great sports car and a great driver," was the way Kareem Abdul-Jabbar started his analogy about what losing Magic meant to the Lakers. "And all of a sudden you have to find some guy who's been driving a bus."

The Lakers are dead. The only question is, when are they going to lie down?

For the second game in a row they came tantalizingly close to victory, only to yield near the buzzer to a deeper, stronger, faster, healthier team. The Pistons — they beat you short, beat you long, beat you up.

Desperate for a Hollywood ending, Magic gave it a shot. Two shots, actually, in four minutes and 46 seconds. Missed them both. Sat down and stayed there.

"I just couldn't go," he said. "I couldn't do anything — just run in a straight line, that was about it. It wasn't there."

Standing in front of his locker, closing his sad eyes in resignation, Johnson said: "It's not in words to explain how I felt. It's beyond words. This is what I play for. This. And now I can't play."

Johnson is listed as "questionable" for Game 4, but Pat Riley, the Los Angeles coach, conceded that he "doubts" Johnson will play. And from the Detroit locker room, Johnson's good friend Mark Aguirre said he thought Johnson playing "would be risky for him and the Lakers' franchise."

Even if he does play, the Detroit coach, Chuck Daly, promised, "We'd attack him at every moment and in any way we can." That's the code of the West, Daly believes. "Magic would respect that," he said. "He'd do it, too."

Game 4, then, could easily be the final game of the season. The Lakers would be swept. The focus would be solely on the Pistons. And Abdul-Jabbar's prodigious career would be over, disappearing almost unnoticed in the black hole of late-night television (in the eastern United States, anyway). So there was a measure of justice that Abdul-Jabbar had such an exemplary game on a Sunday afternoon, when everybody could see. There were other great performances in Game 3: Joe Dumars and Vinnie Johnson lit it up again. Dennis Rodman snatched 19 rebounds in 28 minutes. But there was no performance as majestic as Abdul-Jabbar's.

Compelled by circumstances to play 33 minutes — 11 more than usual — Kareem scored 24 points and snatched 13 rebounds.

"He went back in a time machine and grabbed something out of 1970," said an admiring Rick Mahorn, the Detroit forward. Talk about rising to an occasion: Under the white hot scrutiny of the playoffs, with his starting backcourt immobilized and the defense able to concentrate on jamming up the middle, Abdul-Jabbar had his biggest scoring game of the season, and tied his highest total of rebounds.

"Better late than never," he smiled.

In the second half, he sank seven of eight shots; his so-called sky hook floated like a butterfly and stung like a bee. Could this have been the same 42-year-old who had looked so lost and lumbered with such futility earlier in the playoffs, the same player who went 28 minutes without a rebound against Seattle? If this was his valedictory, if this was the photo frozen in time, it was a keeper.

There seems to be nothing the Lakers can do at this point to turn off the water. Detroit's guards are slicing through their defense. It's like Swiss cheese.

"They're remarkable," Riley said of Dumars, Johnson and Isiah Thomas, who have now scored 211 points in three games. "They can shoot it, take it to the basket, pass it. No matter how much we've scouted them, no matter how we've prepared for them, they're above and beyond what we've expected."

And as blistering as the Piston guards have been, the primary Lakers guards can do nothing but sit agonized on the bench and feel the heat.

The last time there was a sweep in the NBA finals was 1983. The 76ers laid it on the Lakers. Abdul-Jabbar was on that team, and two years later, at 38, his Lakers won it all and he was named most valuable player. They won again when he was 40, and once more when he was 41.

This year, he has no next year. His career may not last until the weekend. If he can't go out a winner, at least he could go out like Kareem.

Gerald Herbert/The Associated Press

Steve Sax of the Yankees got his wish on Sunday: a safe slide past Rich Gedman of the Red Sox.

Uphill With LeMond

U.S. Cyclist Fights Off Self-Doubt

By Samuel Abt
International Herald Tribune

FLORENCE — There are good days and bad days, Greg LeMond was saying, and for the last two years the bad days have been far more plentiful. Now he was hoping for the rare good day.

"Today or never in this Giro," he said.

He spoke just before the time trial that closed the 3,655-kilometer (2,263-mile) Giro d'Italia on Sunday in Florence.

Once again, LeMond had entered a long bicycle race with high hopes and once again he had been disappointed. Since he was accidentally shot while hunting in April 1987, the first American to win the Tour de France has not finished first in a major race.

"I'm in the tunnel where you don't see the end," LeMond said as he sat in his team car and awaited his turn against the clock. "I'm doing better but I'm a long way from being with the very best."

"Who knows? It could click around maybe in the Tour, maybe at the world championships. But it takes much longer than I thought."

The problem, he explained, is his body. For an athlete who takes great pride in his ability to suffer and recover in a race, LeMond is realizing that he no longer has total control over his body.

"It's so weird how your body works," he said. "It's difficult to imagine, some days where I've been so very bad, that I can be better. But one day I had my worst day and the next day it was one of my best days."

As fans pressed in for autographs, LeMond complied but kept talking. He was gloomy, not self-pitying, as he likened the recovery from his shooting to a new start in his professional career.

"Part of my curve now is that I have no knowledge of what my body will do because it's all so new to me," he said. "I have the experience, but my body ..." His voice trailed off.

The route to the top is a long one, he continued.

"When I was real good in 1985 and '86 it took me four or five years to get there and I had some very bad moments prior to that level," he said, recalling his victory in the 1986 Tour de France and his second place the year before.

"So you have to expect that kind of problem for maybe another year or two, maybe even three years." In three years, LeMond will be 31 years old, just short of the age where most professionals retire.

His comeback has also been slowed by troubles not always physical, LeMond acknowledged.

"Sometimes it's mental," he said. With me, I have a bad day, I have no hope, no motivation. But when I was young, because I was always striving to get to a point, I never thought twice about it. ' 'Oh, I had a bad day, tomorrow I'll have a better day.' Now it's 'I had a bad day, God, am I going to come back?' "

With only the time trial ahead in the 72d Giro, LeMond ranked 47th, more than 55 minutes behind the leader, in the field of 141 riders remaining.

He needed a boost, he said, something for his morale.

"I just want to test myself in this race today," he said cautiously. "I don't think I can win but I want to do a good placing. It would mean so much."

Moving with the force that marked his best years, LeMond then went out and rode a dominating time trial. Within six kilometers he caught the rider who started a minute and a half before him. In 15 more kilometers, he overtook and passed the rider who started three minutes before him.

His back bent into his work, his line around curves tight and efficient, LeMond pedaled 54 kilometers past Tuscan villages and fields, down the right bank of the Arno River in Florence, past the Ponte Vecchio and thousands of cheering fans, across the river and up to the line that marked the finish of his latest ordeal.

He did not quite manage to surpass the previous fastest time, one hour 5 minutes 34 seconds by Lech Piasecki, a time-trial specialist, but LeMond's clocking of 1:03 slower was good enough for second place by more than a minute. All smiles, LeMond coasted off with the memory of at least one more good day.

SIDELINES

Lineker May Sign With Tottenham

LONDON (UPI) — Gary Lineker of England, one of the top center forward's in European soccer, is set to leave the Barcelona team and join the Tottenham Hotspurs this week in a $2.3 million deal.

The 28-year-old striker is expected to rejoin his former manager, Terry Venables, who was the coach at Barcelona when the Spanish club paid $4 million for Lineker three years ago. Lineker, depsite having three years left on his contract, was put on the transfer list last week by Barcelona's current coach, Johan Cruyff.

For the Record

George Raveling, the Southern California basketball coach, announced Sunday that he was not a candidate for the head coaching position at the University of Maryland. *(AP)*

Craig Parry of Australia defeated Ian Woosnam of Britain on the first playoff hole Sunday to win the European PGA golf tournament in Rickmansworth, England. *(AP)*

Ian Botham, England's cricket ace, has lost all feeling in the right side of his face after being hit by a ball six days ago. *(UPI)*

Two football fans were killed and more than 100 were injured Sunday when the crowd stampeded before a World Cup qualifying match between Liberia and Malawi in Monrovia, Liberia. *(AFP)*

Four professional golfers will be inducted into the PGA World Golf Hall of Fame in November. They are Raymond Floyd, Nancy Lopez, Roberto DeVicenzo and the late Jim Barnes. *(AP)*

Quotable

• Kareem Abdul-Jabbar, on the Los Angeles Lakers' loss to the Detroit Pistons in Game 1 of the NBA finals: "Winners smile, losers say shut up and deal." *(UPI)*

• George Foreman, the former heavyweight boxing champion, on his comeback: "There are those that say I don't fight a guy unless he's on a respirator. That's a big lie. He has to be eight days off the respirator." *(LAT)*

• Tom Trebelhorn, the Milwaukee Brewers' manager: "Running a club is like raising kids who fall out of trees." *(LAT)*

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE
East Division

	W	L	Pct.	GB
Baltimore	32	26	.552	—
Cleveland	29	31	.483	4
New York	29	31	.483	4
Milwaukee	29	32	.475	4½
Boston	27	31	.466	5
Toronto	26	34	.433	7
Detroit	24	36	.400	9

West Division

	W	L	Pct.	GB
Oakland	40	21	.656	—
California	36	23	.610	3
Kansas City	36	24	.600	3½
Texas	33	27	.550	6½
Seattle	30	33	.476	11
Minnesota	28	32	.467	11½
Chicago	22	40	.355	18½

NATIONAL LEAGUE
East Division

	W	L	Pct.	GB
Chicago	33	27	.550	—
Montreal	34	28	.548	—
St. Louis	30	28	.517	2
New York	30	29	.508	2½
Pittsburgh	23	35	.397	9
Philadelphia	21	37	.362	11

West Division

	W	L	Pct.	GB
Houston	37	25	.597	—
Cincinnati	35	25	.583	1
San Francisco	36	26	.581	1
Los Angeles	29	31	.483	7
San Diego	30	34	.469	8
Atlanta	24	37	.393	12½

Sunday's Line Scores

AMERICAN LEAGUE

Boston 000 000 011—2 6 0
New York 200 002 00x—4 6 1
Price, Lamp (6), Smith (8) and Gedman; Hawkins, Righetti (9) and Slaught. W—Hawkins, 6-7. L—Price, 0-2. Sv—Righetti (9).

Boston 000 002 050—7 13 2
New York 400 010 21x—8 13 0
Smithson, Murphy (7), Smith (8) and Cerone, Gedman (8); Jones, McCullers (7), Mohorcic (8), Nielsen (8), Guetterman (9) and Geren. W—Nielsen, 1-0. L—Murphy, 0-3. Sv—Guetterman (9). HRs—New York, Mattingly 2 (6).

Detroit 000 000 000—0 4 0
Toronto 000 020 11x—4 12 0
Schwabe, Trujillo (7) and Heath, Nokes (8); Flanagan, D.Ward (8) and Whitt. W—Flanagan, 4-5. L—Schwabe, 1-1. Sv— D.Ward (5). HR—Toronto, Felix (5).

Seattle 002 004 000—6 9 1
Cleveland 000 101 001—3 11 2
Holman, Harris (4) and McGuire; Black, Stoddard (6), Atherton (6), Bailes (9) and Skinner. W—Holman, 1-1. L— Black, 5-7. Sv—Harris (1). HRs—Seattle, McGuire (1). Cleveland, O'Brien (9).

Milwaukee 100 000 002—3 10 2
Baltimore 000 100 000—1 3 0
Higuera, Crim (8), Plesac (9) and Surhoff; Tibbs, Williamson (7), Hickey (9), Olson (9) and Tettleton. W—Crim, 5-3. L—Hickey, 1-1. Sv—Plesac (14).

Chicago 100 000 010—2 8 0
Minnesota 020 020 01x—5 11 1
Perez, Patterson (5), McCarthy (8) and Karkovice; Anderson, Berenguer (8), Reardon (8) and Mercado. W—Anderson, 7-4. L—Perez, 3-8. Sv—Reardon (11). HRs—Minnesota, Bush (8), Gagne (3).

California 102 000 000—3 9 1
Kansas City 001 004 00x—5 7 1
Abbott, Monteleone (6), McClure (7) and Parrish; Bannister, Leach (4), Montgomery (8), Farr (9) and Boone. W— Leach, 1-0. L—Abbott, 5-4. Sv—Farr (13). HR—Kansas City, Boone (1).

Oakland 110 002 001—5 9 1
Texas 000 010 000—1 3 0
Moore, Cadaret (7), Nelson (7) and Steinbach; K.Brown, Guante (8), Rogers (9) and Kreuter. W—Moore, 8-4. L— K.Brown, 5-3. Sv—Nelson (1). HRs—Oakland, D.Parker (9), McGwire (12).

NATIONAL LEAGUE

Philadelphia 002 000 000—2 4 3
Montreal 100 222 00x—7 11 0
Sebra, Carman (5), Harris (6), Bedrosian (7) and Daulton; Perez, Burke (9) and Pevey. W—Perez, 3-7. L—Sebra, 2-2. HR—Montreal, Foley (3).

New York 230 000 001—6 12 1
Pittsburgh 000 000 010—1 6 0
Ojeda and Sasser; Fisher, Garcia (2), Heaton (7), Robinson (9) and Bilardello. W—Ojeda, 3-6. L—Fisher, 0-3. HRs—New York, Dykstra (2), Johnson (15).

St. Louis 000 011 080—10 17 0
Chicago 000 130 012— 7 15 1
Hill, Costello (5), Carpenter (6), Quisenberry (9), Worrell (9) and Pena; Kilgus, Schiraldi (6), Wilson (7), Pico (7), Perry (7), Williams (9) and Berryhill. W—Carpenter, 2-4. L—Schiraldi, 1-4. HRs—St. Louis, Brunansky (8). Chicago, Sandberg (7), Law (3), McClendon (4).

Atlanta 013 000 002— 6 13 0
Houston 170 000 02x—10 13 0
Glavine, Puleo (2), Alvarez (4), Acker (7) and J.Davis; Deshaies, Andersen (6), Schatzeder (8), Agosto (9), Darwin (9) and Biggio. W—Deshaies, 7-3. L—Glavine, 6-3. Sv—Darwin (2). HR—Atlanta, Berroa (2). Houston, Doran (5).

Cincinnati 100 000 000—1 4 0
Los Angeles 002 100 00x—3 4 0
Scudder, Birtsas (5), Charlton (6), Dibble (8) and Diaz; Leary, J.Howell (9) and Scioscia. W—Leary, 5-4. L—Scudder, 0-1. Sv—J.Howell (12). HR—Cincinnati, Benzinger (4).

San Diego 000 000 010 000—1 11 1
San Francisco 000 000 001 002—3 11 1
Rasmussen, G.W.Harris (10), Ma.Davis (12) and Santiago; Reuschel, Lefferts (10), Gossage (12) and Manwaring, Kennedy (12). W—Gossage, 1-0. L—Ma.Davis, 2-3. HRs—San Francisco, Litton (1), W.Clark (11).

Major League Leaders

AMERICAN LEAGUE

BATTING (100 at bats): Lansford, Oakland, .348; Baines, Chicago, .337; Boggs, Boston, .333; Puckett, Minnesota, .333; Sierra, Texas, .328; Franco, Texas, .324; Palmeiro, Texas, .323; Liriano, Toronto, .310; Sax, New York, .307; Gallagher, Chicago, .304.

RUNS: McGriff, Toronto, 46; Palmeiro, Texas, 45; Sierra, Texas, 42; Burks, Boston, 40; Greenwell, Boston, 40.

RBI: Franco, Texas, 54; Sierra, Texas, 46; Leonard, Seattle, 43; BJackson, Kansas City, 42; Greenwell, Boston, 41.

HITS: Puckett, Minnesota, 79; Sierra, Texas, 79; Gallagher, Chicago, 76; Boggs, Boston, 75; Palmeiro, Texas, 75.

DOUBLES: Puckett, Minnesota, 23; Boggs, Boston, 18; Sierra, Texas, 18; Lansford, Oakland, 16; McGriff, Toronto, 16; Palmeiro, Texas, 16; Reed, Boston, 16.

TRIPLES: DWhite, California, 8; Sierra, Texas, 7; Boggs, Boston, 6; PBradley, Baltimore, 6; Burks, Boston, 5; Reynolds, Seattle, 5.

HOME RUNS: Tettleton, Baltimore, 16; BJackson, Kansas City, 14; Whitaker, Detroit, 14; Deer, Milwaukee, 13; McGriff, Toronto, 13.

STOLEN BASES: Espy, Texas, 26; DWhite, California, 22; RHenderson, New York, 21; BJackson, Kansas City, 17; Gallen, Chicago, 17; Sax, New York, 17.

PITCHING (6 decisions): Swindell, Cleveland, 7-1, .875, 2.43; Montgomery, Kansas City, 6-1, .857, 1.87; Stewart, Oakland, 10-2, .833, 3.71; Ballard, Baltimore, 9-2, .818, 2.51; McCaskill, California, 7-2, .778, 2.27; TGordon, Kansas City, 7-2, .778, 2.61.

STRIKEOUTS: Ryan, Texas, 107; Clemens, Boston, 90; Viola, Minnesota, 78; Swindell, Cleveland, 70; Moore, Oakland, 65.

SAVES: Eckersley, Oakland, 14; Plesac, Milwaukee, 14; Russell, Texas, 14; Schooler, Seattle, 14; DJones, Cleveland, 13; Farr, Kansas City, 13.

NATIONAL LEAGUE

BATTING (100 at bats): Larkin, Cincinnati, .364; TGwynn, San Diego, .356; WClark, San Francisco, .342; Guerrero, StLouis, .319; Grace, Chicago, .316; VHayes, Philadelphia, .308; Mitchell, San Francisco, .307; Butler, San Francisco, .302; Sandberg, Chicago, .300; ONeill, Cincinnati, .292.

RUNS: WClark, San Francisco, 46; RThompson, San Francisco, 43; GDavis, Houston, 42; Mitchell, San Francisco, 42; Raines, Montreal, 39; TGwynn, San Diego, 39.

RBI: Mitchell, San Francisco, 62; WClark, San Francisco, 47; Guerrero, StLouis, 43; ONeill, Cincinnati, 42; VHayes, Philadelphia, 40.

HITS: TGwynn, San Diego, 90; Larkin, Cincinnati, 78; WClark, San Francisco, 78; Mitchell, San Francisco, 71; Doran, Houston, 68.

DOUBLES: Guerrero, StLouis, 19; Mitchell, San Francisco, 19; Raines, Montreal, 19; Wallach, Montreal, 19; Bonds, Pittsburgh, 16; Murray, Los Angeles, 16; Sabo, Cincinnati, 16.

TRIPLES: RThompson, San Francisco, 5; Raines, Montreal, 5; Roberts, San Diego, 5; TGwynn, San Diego, 5; 5 are tied with 4.

HOME RUNS: Mitchell, San Francisco, 23; HJohnson, New York, 15; GDavis, Houston, 14; Strawberry, New York, 14; VHayes, Philadelphia, 12.

STOLEN BASES: Coleman, StLouis, 26; Young, Houston, 22; ONixon, Montreal, 19; TGwynn, San Diego, 19; RAlomar, San Diego, 16.

PITCHING (6 decisions): DeMartinez, Montreal, 6-1, .857, 2.71; Reuschel, San Francisco, 11-2, .846, 2.17; Darwin, Houston, 5-1, .833, 2.52; Garrelts, San Francisco, 5-1, .833, 2.43; Gooden, New York, 7-2, .778, 2.63.

STRIKEOUTS: DeLeon, StLouis, 90; Smoltz, Atlanta, 79; Gooden, New York, 76; Scott, Houston, 74; Belcher, Los Angeles, 72; KGross, Montreal, 72.

SAVES: Franco, Cincinnati, 17; MaDavis, San Diego, 17; MiWilliams, Chicago, 14; Burke, Montreal, 13; DaSmith, Houston, 12; JHowell, Los Angeles, 12.

BOXING

Leonard vs. Hearns

Tale of the tape for Sugar Ray Leonard's WBC super middleweight title defense against Thomas Hearns, Monday, June 12, in Las Vegas (0345 GMT Tuesday):

	Leonard	Hearns
Age	32	30
Weight	160	162½
Height	5-10	6-1
Reach	74	78
Chest (normal)	39	40
Chest (expanded)	41	42
Biceps	15	15½
Forearm	11¾	12
Waist	30	30
Thigh	21	20
Calf	13	13
Neck	15½	15½
Wrist	7	8
Fist	11	11½
Ankle	9¼	8

BASKETBALL

NBA Finals: Game 3

DETROIT

	Min	FG	FT	Reb	A	PF	Pts
Aguirre	24	0-6	2-2	3-6	3	3	2
Mahorn	21	3-4	1-2	1-4	0	4	7
Laimbr	29	4-7	2-3	0-2	6	3	10
Dumars	35	12-21	7-7	0-2	5	1	31
Thomas	43	9-20	7-9	1-3	8	3	26
Rodman	28	3-6	6-6	7-19	1	4	12
Edwrds	19	0-2	0-0	0-2	1	4	0
Salley	23	4-6	1-1	0-3	3	5	9
Johnson	18	8-11	1-2	2-3	2	3	17
Team				7			
Totals	240	43-83	27-32	14-51	29	31	114

L.A. LAKERS

	Min	FG	FT	Reb	A	PF	Pts
Green	37	3-6	5-9	4-8	1	6	11
Worthy	42	9-18	8-9	5-7	4	3	26
A-Jbbr	33	10-19	4-4	3-13	2	1	24
Cooper	48	6-14	0-0	0-0	13	2	15
Johnson	5	0-2	0-0	0-0	1	0	0
Cmpbll	23	3-4	5-7	0-1	1	5	11
Thmpsn	22	3-6	2-3	2-3	2	2	8
Wlrdge	18	3-4	3-4	0-4	1	2	9
Rivers	11	2-6	2-3	0-1	2	3	6
Lamp	1	0-0	0-0	0-0	0	0	0
Team				7			
Totals	240	39-79	29-39	14-44	27	24	110

Detroit 27 30 29 28—114
L.A. Lakers 22 33 33 22—110

Three-point goals: Cooper 3, Thomas. Technicals: Mahorn, Campbell, Green, Cooper.

NBA Schedule

Detroit vs. L.A. Lakers
(Detroit leads series, 3-0)

June 6: Detroit 109, Los Angeles 97
June 8: Detroit 108, Los Angeles 105
June 11: Detroit 114, Los Angeles 110
June 13: Detroit at L.A. (0100 GMT June 14)
x-June 15: Detroit at L.A. (0100 GMT June 16)
x-June 18: L.A. at Detroit (1930 GMT June 18)
x-June 20: L.A. at Detroit (0100 GMT June 21)
(x-if necessary)

CRICKET

ENGLAND vs. AUSTRALIA
(In Leeds, England, Day 4)

1st Innings: Australia 601-7 (declared); England 430 (all out).
2nd Innings: Australia 158-3.

GOLF

Final scores and money winnings Sunday of the Westchester Classic on the 6,779-yard, par-71 Westchester Country Club course in Harrison, New York (x-won on first hole of sudden death playoff):

Wayne Grady, $180,000	69-65-71-72—277
Ronnie Black, $108,000	68-71-69-68—277
Tom Watson, $58,000	71-69-70-68—278
Clarence Rose, $58,000	72-69-67-70—278
Tom Kite, $35,125	70-67-72-70—279
Billy Andrade, $35,125	69-69-70-71—279
Fred Couples, $35,125	66-72-70-71—279
J.C. Snead, $35,125	67-68-70-74—279
Nick Price, $27,000	74-67-69-70—280
Mike Reid, $27,000	69-72-68-71—280
Mark Lye, $27,000	66-70-71-73—280
Don Pooley, $21,000	72-71-69-69—281
Chip Beck, $21,000	70-70-72-69—281
Paul Azinger, $21,000	71-67-70-73—281
Curtis Strange, $17,000	72-65-74-71—282
Gary Hallberg, $17,000	72-71-67-72—282
Scott Hoch, $17,000	68-72-67-75—282

Final scores Sunday of the European PGA tournament on the 6,855-yard, par-72 Moor Park Golf Club course in Rickmansworth, England (x-won on first hole of sudden death playoff):

x-Craig Parry, $51,200	67-71-66-69—273
Ian Woosnam	67-72-68-66—273
David Gilford	71-69-65-69—274
Mike Harwood	66-72-67-69—274
Gordon Brand Jr.	72-67-72-65—276
Barry Lane	72-68-68-68—276
Jerry Anderson	70-69-69-69—277
Brian Marchbank	73-69-67-69—278
Ross McFarlane	68-74-67-69—278
Peter Senior	72-67-68-71—278
Bob Shearer	69-72-65-72—278
Jeff Hawkes	71-70-66-71—278
Mike McLean	67-70-73-69—279
Sam Torrance	74-72-64-69—279
Anders Sorensen	73-67-67-72—279

SOCCER

SPANISH FIRST DIVISION

Real Sociedad 0, Valencia 0
Zaragoza 2, Malaga 1
Murcia 1, Sevilla 2
Celta 1, Athletic de Bilbao 2
Logrones 1, Oviedo 1
Betis 3, Elche 1

Points: Real Madrid 58; Barcelona 54; Valencia 47; Atletico de Madrid 42; Zaragoza, Valladolid 40; Athletic de Bilbao 38; Celta, Sevilla 37; Osasuna 35; Oviedo, Real Sociedad, Gijon 34; Logrones 33; Malaga 32; Cadiz 30; Espanol 29; Betis 27; Murcia 24; Elche 15.

WORLD CUP QUALIFYING

Costa Rica 1, Trinidad and Tobago 0
Zaire 0, Morocco 0
Liberia 1, Malawi 0

TRANSITION

BASEBALL
American League

BALTIMORE—Put Mark Huismann, pitcher, on 15-day disabled list. Recalled Jose Bautista, pitcher, from Rochester, International League.

CHICAGO—Signed Frank Thomas, first baseman.

CLEVELAND—Acquired Brian Brooks, outfielder, from San Diego for future considerations and assigned him to Kinston, Carolina League.

KANSAS CITY—Activated George Brett, first baseman, from 21-day disabled list. Put Gary Thurman, outfielder, on 15-day disabled list.

MINNESOTA—Signed Todd Logan, Joe Siwa and Francisco Ramirez, catchers.

NEW YORK—Put Clay Parker, pitcher, on 15-day disabled list, retroactive to June 10. Purchased contract of Scott Nielsen, pitcher, from Columbus, International League. Activated Roberto Kelly, outfielder, from 15-day disabled list. Sent Deion Sanders, outfielder, to Columbus. Signed Andy Fox, third baseman, and assigned him to Sarasota, Gulf Coast League. Signed J.T. Snow, first baseman, and assigned him to Oneonta, New York-Penn League.

National League

CHICAGO—Activated Jerome Walton, outfielder, from 15-day disabled list. Optioned Doug Dascenzo, outfielder, and Phil Stephenson, first baseman, to Iowa, American Association.

MONTREAL—Asked Joe Hesketh, pitcher, to accept 10-day assignment at Indianapolis, American Association.

PITTSBURGH—Signed Willie Green, shortstop, and assigned him to Bradenton, Gulf Coast League.

ART BUCHWALD

Splashing Dirt Around

WASHINGTON — Just down the street from the Republican National Headquarters is a large, dirty pool, where reporters and party workers relax after work and exchange rumors about politicians. Some people call it mudslinging, but it's really good, old-fashioned jawboning that we all enjoy at the end of the day.

The mud can be supplied by anyone — from a party secretary to a top-flight GOP manager, who has access to the Oval Office.

Buchwald

This is how it went the other day: An aide came over from headquarters and announced, "Congressman Meadowlark is a fly-chaser. Pass it on."

It seemed hard to believe except for the fact that we heard it with our own ears.

□

The questions came out fast and furious.

"Has anyone ever seen him chase flies?"

"No, but the source was impeccable. A party intern heard it from his father, who dated Meadowlark's sister's roommate."

"It can't be true," a reporter said, "but if I don't write about it. I'll catch hell from my editor."

"Why don't you say, 'There is no truth to the rumor that a congressman, who is chairman of a very important committee, was seen chasing flies in the halls of Congress after dark'?"

The Republican mud-slinger told him, "I didn't say that he is a fly-chaser *now*. I said that he was one in his youth."

"It doesn't make any difference," another reporter added. "I've always thought that where there is smoke, there is unethical conduct. Why don't we ask Meadowlark outright if he was one? If he denies it, it will be a bigger story than if he admits the charge."

The person who leaked the information spoke up. "Don't mention where you got it. Everyone around here is very touchy. The last time Mark Goodin, the PR director, threw mud at Tom Foley, he was given the ax."

"He wasn't a very good sleazeball artist," I said. "Or he wouldn't have been caught."

A network reporter told us, "We're wasting time. While we're in this dirty pool the whole damn press corps is writing about Meadowlark's penchant for chasing flies."

The Republican leaker reassured him, "Nobody knows about it but you guys. We wanted to make sure that our friends were the ones to run him out of town."

"Okay, so he likes to chase flies. Does that mean he can't do his job?" another reporter asked.

The reporter next to him, Marilee Keefe, chimed in, "It's not for us to say whether he can or not. Our only role is to make sure that the public knows about it. If the other party wants a fly-chaser passing laws, good luck to them."

I said, "My report will state that while there is absolutely no proof that Meadowlark is the biggest fly-chaser in Washington, everyone in this town is calling for his resignation."

Another newspaperman, who was working on his word processor at the end of the pool, yelled, "Hey, what is the definition of a fly-chaser?"

His buddy answered, "My dictionary says, 'A fly-chaser is a baseball outfielder who runs after balls.'"

Everybody in the pool was furious. One reporter sputtered, "They did it to us again."

Lee Atwater came out of Republican Party headquarters and spoke to the group, "I'm sorry, fellows. I have never seen such a dirty political story in my life, and I am going to fire the person who circulated it, because I have to look at myself in the mirror every morning."

Robespierre Document Sold

The Associated Press

PARIS — The revolutionary leader Robespierre's annotated draft of France's first constitution fetched 300,000 francs (about $44,000) at auction Monday and will become part of the permanent collection of the National Assembly Library, auctioneer Jacques Tajan announced. Also auctioned was a guillotine dating to revolutionary France, purchased for 270,000 francs by a German collector, and other documents.

The Battle Over Louise Nevelson's Art

By Andrew L. Yarrow
New York Times Service

NEW YORK — One year after Louise Nevelson's death at the age of 88, the sculptor's estate is the focus of a struggle that pits her only child and legal heir, Myron (Mike) Nevelson, against her longtime assistant, Diana MacKown.

Myron Nevelson has taken three dozen sculptures that MacKown asserts were given to her by Louise Nevelson, but that he maintains do not belong to her.

He has also begun proceedings to evict MacKown from the SoHo residence that she shared with his mother for 25 years.

MacKown, who was not named in Nevelson's will, says she is preparing to sue the sculptor's son.

She seeks recovery of the sculptures — which her lawyer says may be worth up to $5 million — and recompense for her services as assistant to Nevelson, a position that included helping to make her sculpture, preparing her autobiography, making a film about her and serving as her archivist and driver.

The dispute has upset many artists, friends of Nevelson and members of her family.

Louise Nevelson, whose pioneering environmental sculptures made her one of the best-known artists of the 20th century, died on April 17, 1988.

The conflict began two days after Nevelson's death, when her son had a metal door installed to block the entrance to the third floor of MacKown's residence, one of three adjacent buildings that Nevelson owned.

Shortly afterward, MacKown's lawyers say, Myron Nevelson took 25 terra-cotta sculptures and 10 other works of 47 that she said the sculptor had given her as well as other possessions.

Myron Nevelson has asserted, through his lawyer, that the sculptures do not belong to MacKown but rather to a corporation called Sculptotek, which he helped create in 1976.

None of Louise Nevelson's artworks are included in her $1.8 million estate.

When MacKown demanded that the sculptures be returned, Spanbock, Myron Nevelson's lawyer, wrote to James Berry, a lawyer and a friend of MacKown and Louise Nevelson: "I have consulted with Mike. It appears that the items listed belonged to Sculptotek and were not Louise's to transfer."

C. Leonard Gordon, MacKown's lawyer, said: "Their position is that Louise was just a factory worker producing art. Sculptotek, a creation of her son, paid Louise Nevelson a salary, and she and Diana were both employees. Mr. Nevelson seems to claim that all works that his mother created during the last 12 years of her life were the company's property."

Gordon contends that through Sculptotek Myron Nevelson gained control of sculptures that are perhaps worth more than $100 million.

MacKown received a salary of about $250 a week from the corporation, plus expenses, but the details of Sculptotek's arrangements with the sculptor herself have not been made public.

The corporation handled all of Louise Nevelson's business, including her dealings with the Pace Gallery, which represented her for many years, gallery officials confirmed.

"Sculptotek was set up because Louise was totally incapable of handling her financial affairs," said a close relative of Myron Nevelson, who asked not to be identified. "It was her son's and the gallery's way of helping her. Whatever the problems might have been between Louise and Mike in earlier years, she turned to him because she felt he was the one person she could trust."

In the year after his mother's death, according to the account of MacKown's lawyers and that of Myron Nevelson's relative, the son spent several days a week at the apartment, removing papers, clothing and other possessions accumulated during the three decades that his mother owned the building. Nevelson also began showing the building to prospective buyers.

"Mike began eviction proceedings against Diana because he wants to sell the buildings," Gordon said. "He denied knowing anything about the eviction or having anything to do with it, even though he personally signed the notice of petition on May 10."

"Mike didn't file eviction proceedings until Diana refused to allow potential buyers to see her apartment," Nevelson's relative said. "He offered a settlement and wanted to avoid a lawsuit."

But some artists and friends of Louise Nevelson — including Jasper Johns, Merce Cunningham, John Cage, William Katz and Edward Albee — have taken MacKown's part in the dispute.

"A lot of friends of Louise's and Diana's are watching this very carefully and are quite upset and angry about what seems to be happening," Albee said. "Diana was very important to Louise."

Dorothy Miller, a former curator at the Museum of Modern Art and a friend of Louise Nevelson since 1933, said: "Diana took complete care of Louise in the last 25 years, so Louise was totally free to work. She was more than a daughter."

Nevelson's will stipulated that her entire estate would go to her son, but in 1985 and 1986 the sculptor signed two documents confirming the gift of 47 sculptures to her assistant.

The two documents, which included more than 25 pages of drawings and photographs of the works, also gave MacKown the right to cast the 25 terra-cotta sculptures.

Although Louise Nevelson recognized that works she created in the late 1970s and 1980s were done under contract to Sculptotek, she believed that sculptures created earlier — like the terra-cottas — were hers to give, said William Katz, an artist, stage designer and friend of the sculptor and MacKown.

Another friend of the two, Willy Eisenhart, a writer, said: "Louise absolutely intended to provide for Diana. Diana did everything for Louise, and she freed Louise's mind and spirit. Without Diana, I think Louise would have died a lot younger."

But Myron Nevelson's relative said: "Diana has been taken care of generously all these years. She received a salary, was living rent-free and had her expenses and health care covered. And these payments continued after Louise died. She has no right to the apartment, and she's making all kinds of claims that Louise promised this and that."

Frank Johnston/The Washington Post

Louise Nevelson in 1973 in front of one of her sculptures.

PEOPLE

'Wired' Again Looking For Film Distributor

Just when it looked like the tortured saga of "Wired," a film on **John Belushi** based on reporter **Bob Woodward's** best-selling 1984 book of the same title, was about to close, another chapter is opening. "It's like bad Agatha Christie," said **Edward Feldman**, who co-produced the controversial film about Belushi's life and 1982 death by a drug overdose. The film's producers are back in the market for a distributor, after an agreement with Atlantic Entertainment Group fell apart because of the company's deteriorating financial condition.

□

Imelda Marcos has released her first record album — a collection of her ailing husband's favorite love songs — and her producer says a music video is not far behind. The former Philippine first lady says the attention given her first stab at commercial success here has left her slightly overwhelmed, "but it's nice to be recognized for something positive, something beautiful, like music," she said before a reception heralding the release of "**Imelda Papin** Featuring Songs with Mrs. Imelda Romualdez Marcos." Mrs. Marcos, 59, said she agreed to join Papino, a Filipina pop star who has 25 gold or platinum albums in her homeland, after recording some songs as a gift to her husband, **Ferdinand**, on their 35th wedding anniversary May 1. The 12-song album features four solos by Mrs. Marcos — including three sung in Tagalog — and a duet with Papin, who produced the album.

□

Marilyn Lewis was once part of the **Andy Warhol** clique and now she's making a documentary about him. "It's a 90-minute feature about one of the most unusual men of our times," said Lewis, an ex-model and restaurateur. "He was terribly religious. He was a voyeur regarding drugs, sex and other elements of life but not a participant. We've already shot sequences at the Museum of Modern Art in New York and the picture will include footage of Andy taken during his lifetime. We're filming many of his remaining friends." The friends include **Bianca Jagger**, **Dennis Hopper** and the pianist **Bobby Short**. Lewis says she suspects the world hasn't seen the last of Andy Warhol. "I believe Andy is an afterlife person," she says. "He spent his life preparing for a reincarnation."

INTERNATIONAL CLASSIFIED

PERSONALS

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